

## I: Introduction

This is the Analysis of Impediments to Fair Housing Choice (AI) for the cities of Lafayette and West Lafayette. It is a new AI, that utilizes analysis and data review from the most recent statistical and demographic information as well as reviews any updates to previous housing and planning laws. This document serves to both fulfill the requirements set by the U.S. Department of Housing and Urban Development (HUD) and directs the cities of Lafayette and West Lafayette to act in a manner that will be most effective in the placement and development of affordable housing.

The cities receive funding from HUD for the development and continuation of affordable housing. As part of this funding, the federal government mandates a review of impediments to fair housing choice in the private and public sectors. The cities must complete the review to receive the community development funding from HUD. The cities of Lafayette and West Lafayette receive approximately \$2.16 million annually from HUD in the form of the Community Development Block Grant and the HOME Investment Partnerships Program. Federal regulations do not require a formal approval of this document by HUD to be compliant; however, the document must include

- A review of the cities of Lafayette's and West Lafayette's laws, regulations, administrative policies and planning;
- An analysis of how those laws affect the placement and development of housing;
- An assessment of public and private sector circumstances affecting housing choice.

According to HUD, impediments to fair housing choice are

- Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin that restrict housing choices or the availability of housing choices;
- Any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

Race, color, religion, sex, disability, familial status and national origin are defined by HUD as protected classes. The cities of Lafayette and West Lafayette, utilizing funding from the Community Development Block Grant, have hired City Consultants and Research, LLC to prepare this report on their behalf.

### History of the Fair Housing Act

The Fair Housing Act, passed by the U.S. Congress in 1968, is an extension of the Civil Rights Movement to protect certain classes of people from discrimination when trying to locate housing. The U.S. Department of Housing and Urban Development, through its Office of Fair Housing and Equal Opportunity, enforces the Act to prevent discrimination and intimidation of people in their homes, apartments and condominium complexes and in nearly all housing transactions related to the rental or sale of housing and provision of mortgage financing. The Act only exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a real estate agent or broker and housing operated by organizations and private clubs that limit occupancy to members (U.S. Department of Housing and Urban Development). The protected classes in the Act include race, color, religion sex, disability, familial status and national origin. Income level is not a protected class in the Act; however, many of the protected



classes do have a higher ratio of people with lower incomes, so this document will examine the location of households based on income, as well as the protected classes.

The Act prevents the following activities based on race, color, religion, sex, disability, familial status or national origin:

- Refusal to rent or sell a property;
- Refusal to negotiate on housing;
- Refusal to make housing available;
- Denial of housing;
- Setting different terms, provisions or conditions for the sale or rental of the housing;
- Providing different housing services or facilities;
- Persuading a person to sell their home or rent their home by suggesting a certain race has moved into the community;
- Denial of a person access to membership or participation in an organization, facility or service on the basis of or related to the sale or rental of housing;
- Refusal to provide a mortgage;
- Refusal to provide information on mortgages;
- Imposing different terms for mortgages;
- Appraising property differently;
- Refusal to purchase a loan or mortgage;
- Intimidation or interference with anyone exercising fair housing or assisting others with fair housing;
- Refusal to provide homeowner's insurance;
- Providing different insurance rates or terms related to insurance;
- Refusal to provide all terms of homeowner's insurance or all information regarding available insurance;
- Making or printing any information regarding the sale or rental of housing, including mortgage and insurance information that indicates a preference or limitation to one of the protected classes.

## State of Indiana Fair Housing Acts

The primary enforcement agency for the State of Indiana is the Indiana Civil Rights Commission. The agency was established in 1961 as the Indiana Fair Employment Practices Commission. The agency lacked ability to enforce decisions or laws and had a limited scope. In 1963, the agency's scope expanded to include civil rights and it was renamed the Indiana Civil Rights Commission (ICRC). The agency's ability to enforce laws, prosecute and make administrative decisions increased at that time. The ICRC further expanded its jurisdiction in 1965 to include housing.

Recently, in 1991, the State of Indiana General Assembly passed the Indiana Fair Housing Act. While the State of Indiana had included housing in its Civil Rights laws, this new act matched the enforcement provisions within the federal Fair Housing Act. This enabled the ICRC to be an equivalent enforcement agency with the U.S. Department of Housing and Urban Development. Both share enforcement and prosecution abilities as well as financial support for such efforts.

Neither the city of Lafayette nor the city of West Lafayette has a local fair housing ordinance. However, both have ordinances forming Human Relations Commissions, the Board that oversees housing and other discrimination complaints. Tippecanoe County also has a fair housing ordinance that includes the formation of a Human Relation Commission. All three of the jurisdictions have fair housing ordinances that include sexual orientation as a protected class, beyond the requirements of the state and federal acts.

## Research Methodology

City Consultants and Research, LLC (CCR) drafted the Analysis of Impediments to Fair Housing Choice on behalf of the city of Indianapolis. CCR utilized the guidance in the Fair Housing Planning Guide, Volume 1 to prepare this document. Our scope of work included:

1. **Project Initiation:** This included a meeting with staff from both cities to begin the project. Meeting topics included important stakeholders' contact information for consultation interviews, review of previous actions taken and collection of any other relevant data.
2. **Community Data Review:** CCR conducted a community profile review using 2000 U.S. Census information, the 2006 American Community Survey, the U.S. Bureau of Labor Statistics and the Indiana Business Research Center. Information was broken down into demographic information, income information and household type.
3. **Housing Profile:** CCR conducted a review of the housing market of the cities of Lafayette and West Lafayette. Information and data were collected from the 2000 U.S. Census, the 2006 American Community Survey, the National Low Income Housing Coalition, the city of Lafayette, the city of West Lafayette, and U.S. Department of Housing and Urban Development CHAS data sets. CCR also examined reports analyzing HMDA data and foreclosure information to determine if any racial disparities occurred.
4. **Compliance Profile:** CCR examined legal documents, such as zoning regulations, zoning variance procedures, fair housing education programs and reporting, to determine if any legal structures exist that prohibit fair housing choice.
5. **Mail Survey and Community Input:** CCR, along with the staff from the cities of Lafayette and West Lafayette, conducted a survey analysis of fair housing choice. The survey was a part of the 2010

Consolidated Plan public input process. City staff surveyed the general public on fair housing issues, such as reporting and personal experience. CCR continued a survey of real estate, lending and housing provider professionals. CCR also conducted face-to-face interviews of stakeholders to determine the housing issues with greatest need as it pertains to fair housing choice. All surveys are included in Appendix A.

6. Self Evaluation and Identification of Impediments: CCR evaluated all sections of the document to identify any impediments to fair housing choice. CCR also evaluated the progress made to address impediments identified in the previous AI reports.
7. Strategic Plan: CCR worked with the cities of Lafayette and West Lafayette to develop a strategic plan for addressing fair housing choice as part of the Consolidated Planning process. CCR worked to develop goals that would be realistic and achievable, based on the progress made from previous AI documents.

## Report Organization

The remainder of this document is organized into six sections and three appendices.

II: Community Profile

III: Housing Profile

IV: Land Use Profile

V: Compliance Data

VI: Mail Survey and Community Input

VII: Fair Housing Impediments, Recommendations and Action Plan

Appendix A: Survey Instruments and Public Presentations

Appendix B: Stakeholder Interviews

Appendix C: Bibliography

## Acknowledgements

City Consultants and Research, LLC would like to thank the many people who helped complete this document. Valerie Oakley of the city of Lafayette helped with the development and design of the maps for this document. Staffs from both the city Lafayette and the city of West Lafayette were helpful in the provision of previous studies and other important documents. Consultation interviewees also provided help in placing a human face with the statistics. For all involved, this AI would not be possible without your time and energy.

## II: Community Profile

This section of the AI analyzes the demographic makeup of Tippecanoe County and illustrates the socioeconomic geography to create a background for analysis of the housing and lending profiles that follow in this report.

### Population, Demographics and Geography

According to the 2000 Census, Tippecanoe County was home to 148,955 individuals. The 2006-2008 American Community Survey (ACS) reported that the county's estimated population was 161,927. Population estimates courtesy of the Indiana Business Research Center (IBRC) place the 2008 population for Tippecanoe County at 164,237. Assuming the estimate for 2008 is accurate, the population growth in Tippecanoe County between 2000 and 2007 is at 10 percent.

Tippecanoe County is comprised of 13 townships, which include: (1) Shelby, (2) Wabash, (3) Tippecanoe, (4) Washington, (5) Fairfield, (6) Perry, (7) Wayne, (8) Union, (9) Wea, (10) Sheffield, (11) Jackson, (12) Randolph and (13) Lauramie. These townships are divided further into "tracts" for the purpose of Census reporting. The 2000 Census can provide complete information by township and census tract, including information on race, ethnicity, gender, income, etc., by township. Basic total population information, by township, is available from interim reporting sources, such as the ACS and the IBRC. However, the best estimated information available in 2008 does not allow for this detailed of a demographic analysis at the township/tract level. This information is only available at county and incorporated areas. For the purpose of this document, we will utilize a mix of information to assist with strategic planning and analysis.

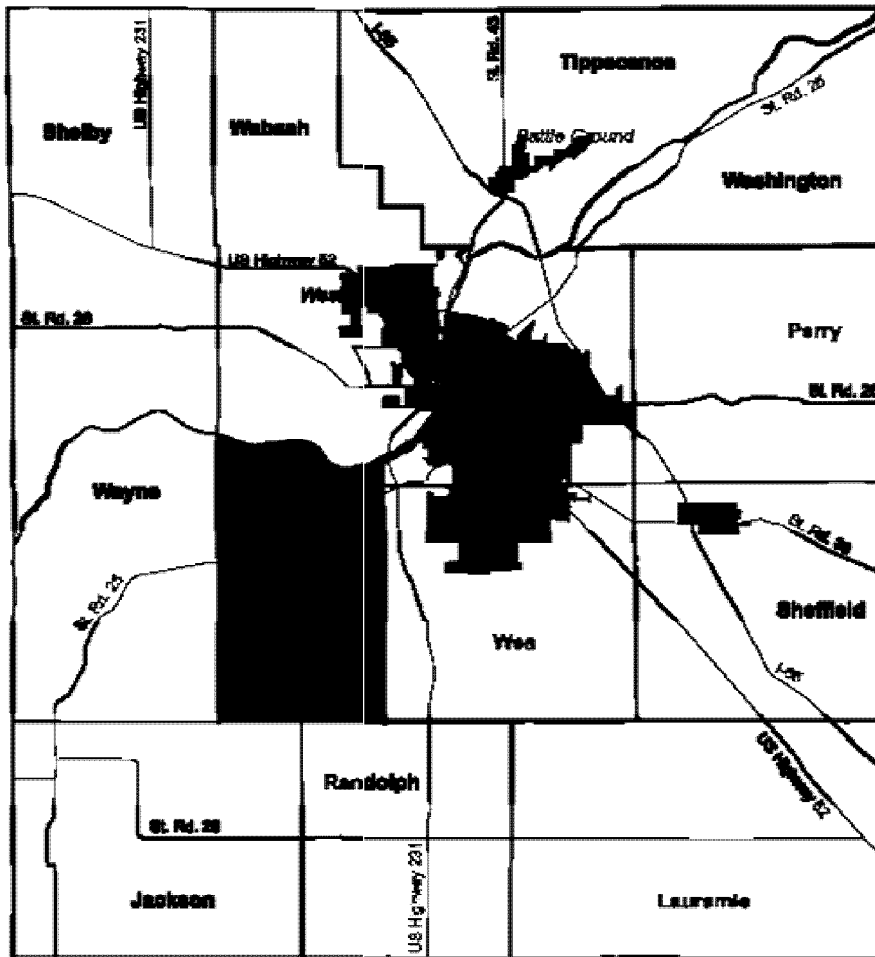


Figure II-I: Map of Tippecanoe County and the 13 Townships. Source: STATS Indiana, February 2010.

Table II-I: Estimated Population by CDBG City and County. Source: U.S. Census and STATS Indiana.

	1990	2000	2008 Est.	Change from 1990-2008
Lafayette	43,764	60,525	64,049	46.4%
West Lafayette	25,907	28,778	30,847	19.1%
Tippecanoe County	130,598	148,955	164,237	25.8%

Table II-I shows the percent population change by CDBG City Recipient and Count from 1990 to 2008. These growth/decline numbers are based on estimates from the IBRC. Both Lafayette and West Lafayette continued to grow in population over the past 18 years, with an average growth for the two cities of 32.75 percent. That is only slightly greater than the growth for the entire county.

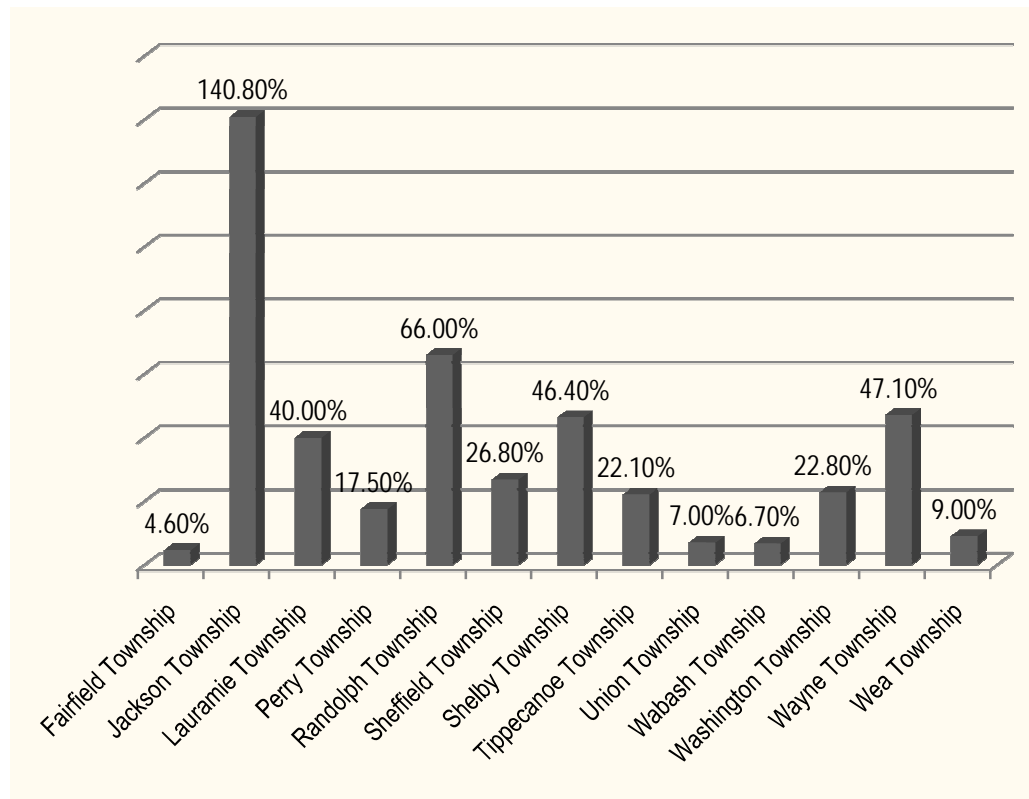


Figure II-II:  
Estimated Percent  
Population Growth  
or Decline by  
Township. Source:  
U.S. Census and  
City Consultants &  
Research, LLC.

Figure II-II illustrates the 2008 estimated percentage of Tippecanoe County total population contained in each township, according to the most current information available from the IBRC. The townships with non-incorporated areas had the largest growth over the last decade, while the townships that are home to the Lafayette and West Lafayette had the smallest growth. Fairfield Township has the smallest population growth with only a 4.6% increase. The township with the most significant growth is Jackson Township, with an increase in population of 140%. Upon consultation with the Jackson Township Trustee, the population estimate may be inaccurate. At the date of publication for this document, no significant development has occurred in Jackson Township that would increase its population so significantly. It remains a rural, farming community. Completion of the 2010 Census will update these estimates and provide a more accurate picture of the communities' growth.

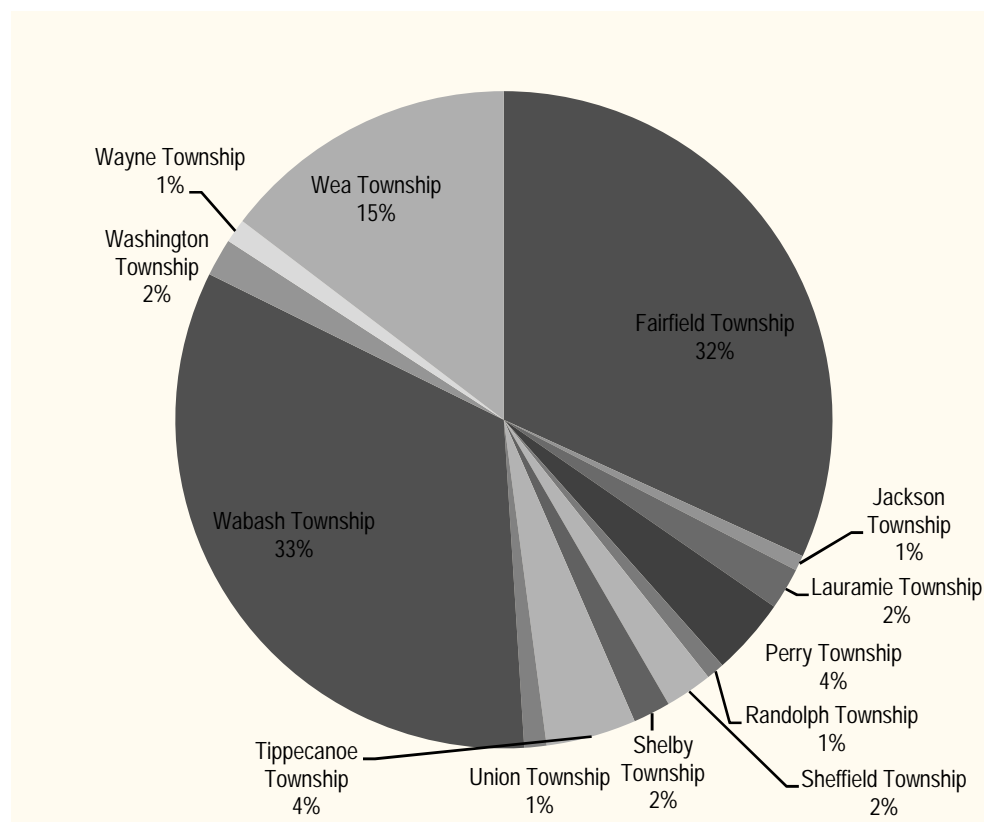


Figure II-III:  
Distribution of  
Tippecanoe  
County Estimated  
Population by  
Township. Source:  
Indiana Business  
Research Center,  
2008.

While the increase in population from 2000-2008 happened primarily in the non-incorporated areas of the county, the primary population of the county remains in Fairfield, Wabash and Wea Townships. These townships are home to the cities of Lafayette and West Lafayette, as well as Purdue University. However, it is important to note that the student population of Purdue University is not counted in these population numbers and estimates.

### Race and Ethnicity

A key factor to analyzing the existing impediments to fair housing within a given area is the examination of distribution of racial and ethnic minorities across the region. In some cases, minority concentrations are a reflection of preferences, meaning that minorities may choose to live in certain areas because of access to the types of grocery stores, restaurants, etc., that cater to them. However, in other cases, minority populations are intentionally discouraged from living in certain areas. Housing prices can also affect the decision of some minorities when choosing where to live. Housing affordability and the dispersion of affordable units is discussed in the Housing Profile section of this document.

From the 2000 Census and the available estimates for 2006 and 2007, the basic racial makeup of Tippecanoe County is 89% White, 3% African American, 5% Asian and 4% other racial minorities, which is comprised of the typical racial/ethnic categories found in the Census. These categories include: (1) American Indian and Alaska Native, (2) Native Hawaiian and Other Pacific Islander, and (3) Other. The U.S. Census Bureau estimates that the percentage of White residents in Tippecanoe County has increased



slightly the same since 2000, and also suggests that there will be increases in the percentage of minority residents during the same period. However, upon consultation with community stakeholders, the estimates published by the U.S. Census and the Indiana Business Research Center do not match what appears to be happening within the population. The estimated increases, according to those consulted, may be exaggerated. However, only upon completion of the 2010 Census count in spring of 2010 will provide an accurate picture. For this document, utilizing the current information available will be the only way to analyze the needs of the community regarding fair housing. Once new count information is available, the cities of Lafayette and West Lafayette can update this document with new information.

It is important to note that race information does not provide information about the percentage of the total population that classify themselves as Hispanic or Latino. Individuals from this ethnic background are not likely to identify as any of the available racial categories tracked in the Census. They may select "Other" and they may not. To ascertain the percentage of the population that is Hispanic or Latino, a separate Census question was created. A chart illustrating the Hispanic or Latino population follows the racial analysis.

Figure II-IV shows the percentage of the population in each township that identifies themselves as White, according to the 2000 Census data.

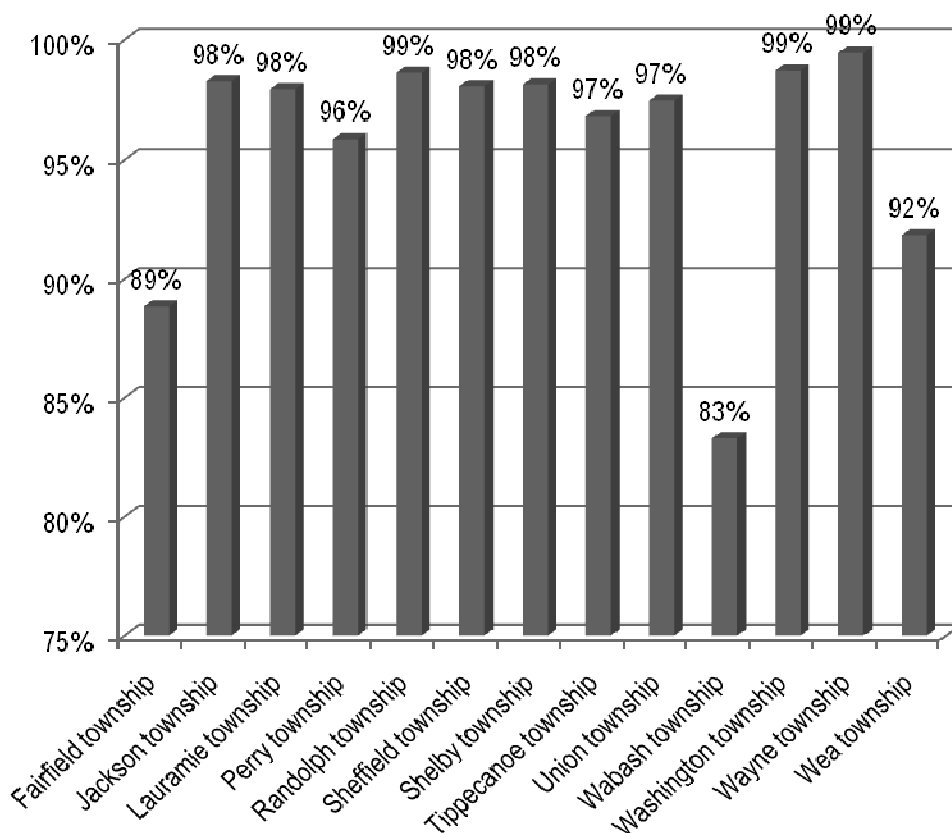


Figure II-IV:  
Percent of  
Population  
by Township  
Identifying  
Themselves  
as White.  
Source: U.S.  
Census,  
2000.

The 2000 Census data reflects that White residents are the majority of the population in each of the 13 townships. Over 90% of the population is White in all but two townships, Fairfield and Wabash. The

population of White residents is between 89 and 83%, respectively, of the total population in those townships. Figure II-V shows the percent of the population in each township identifying themselves as Asian, the next largest racial population.

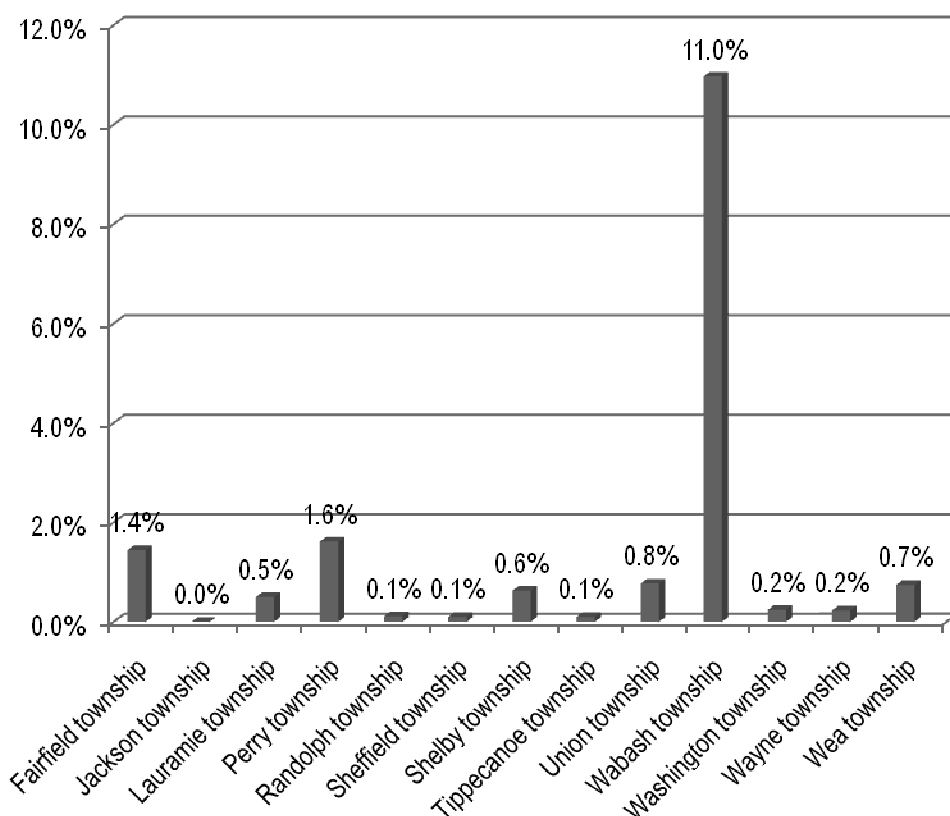


Figure II-V: Percent of Population by Township Identifying Themselves as Asian. Source: U.S. Census, 2000.

The 2000 Census data shows that the townships with the largest percentage of the total population that is Asian are Fairfield (1.4%), Perry Township (1.6%), and Wabash Township (11%). It is important to note that Purdue University is located in Wabash Township. In 2000, just over 4% of the student population identified themselves as Asian and 15% of the paid faculty identified themselves as Asian. For the current school year (2009 – 2010), the percentage Asian of students has increased to 5.9% and the percent of Asian faculty has increased to 17.5%. Presumably, the larger Asian population percentages are related to Purdue University and its international status and the numbers of Asian families living in and around the university will increase in the next Census Count.

The Other Racial Minorities category is calculated together using the individual 2000 Census data from the following racial categories: (1) American Indian and Alaska Native, (2) African American, (3) Native Hawaiian and Other Pacific Islander, and (4) Some Other Race. Wabash Township, the area surrounding West Lafayette and Purdue University, is the most racially diverse when the data is considered from the

perspective of the aforementioned categories combined. A total of 16.7% of the total township population identifies themselves as a racial minority. The other two townships with higher minority concentrations are Fairfield (11.2%) and Wea (8.2%) Townships. These townships encompass Lafayette, the county seat for Tippecanoe County and are located blocks from Purdue University. Figure II-VI shows the percentage of each township's population identifying themselves as one of the other racial minorities, including African American.

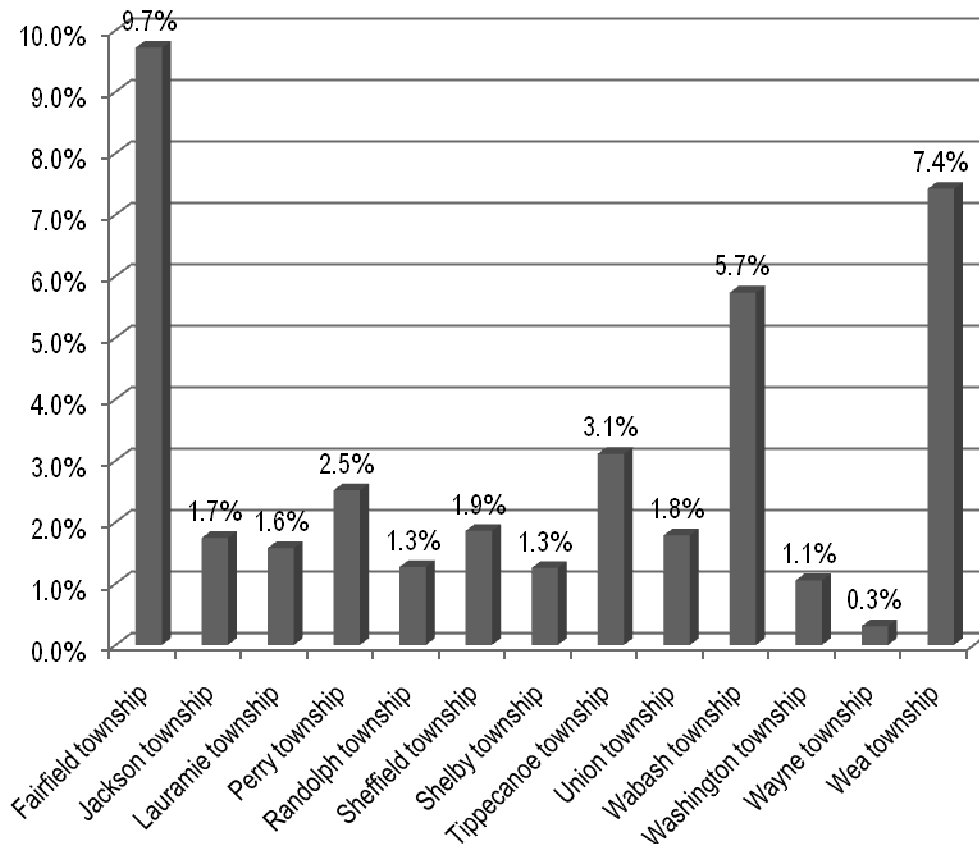


Figure II-VI:  
Percent of  
Population by  
Township  
Identifying  
Themselves as  
Other Racial  
Minorities.  
Source: U.S.  
Census, 2000.

The remainder of Tippecanoe County is rural and tends to have a greater percentage of White households. The next few figures will show the disbursement of each population by Census tract. Confirming the information from the above charts, the rural sections of the county remain mostly White while the urbanized areas have a larger minority population.

Figure II-IX shows the population density of White residents in Tippecanoe County by census tract according to the 2000 data. The majority of the census tracts have high concentrations of White residents. Tippecanoe County is a primarily rural county with a high percentage of White residents in areas other than Lafayette and West Lafayette.

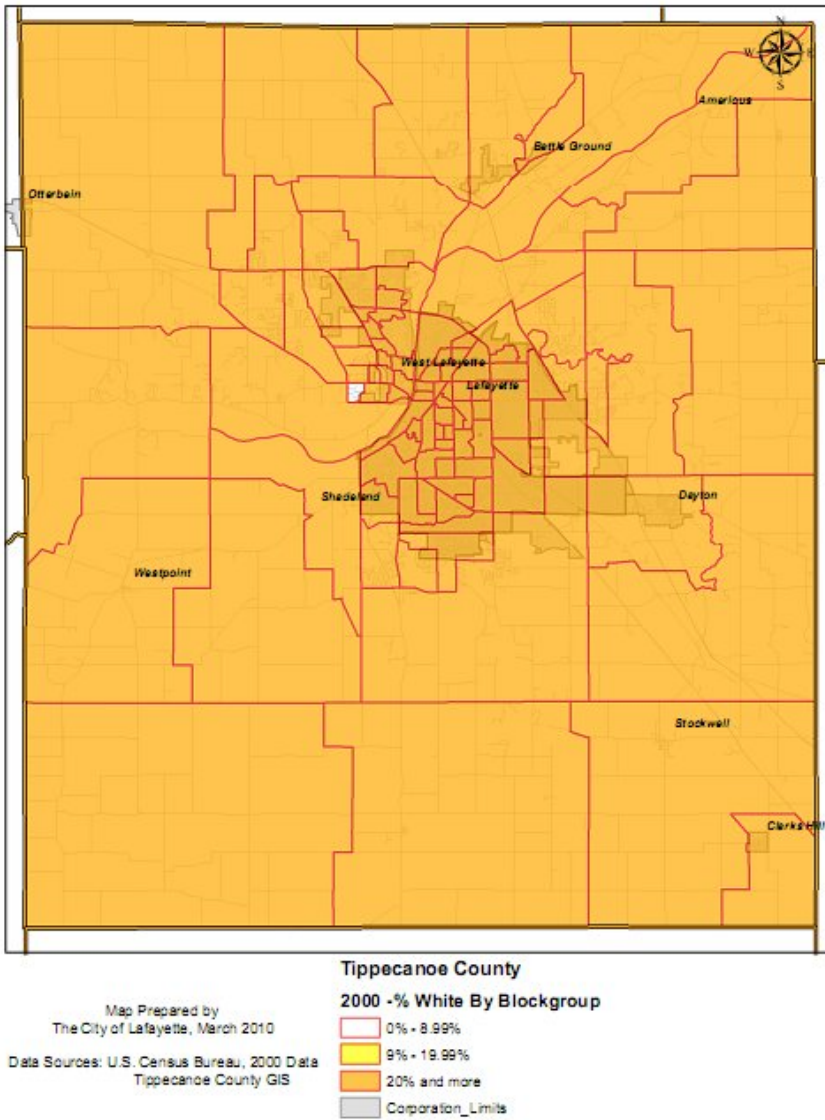


Figure II-VII:  
Disbursement of  
White Population  
by Census Tract.  
Source: U.S.  
Census, 2000 and  
the City of  
Indianapolis,  
Division of  
Planning.

Figure II-X shows the population density of African American residents in Tippecanoe County by census tract using 2000 Census data. The majority of the census tracts with the highest concentration of African American residents are located in the northern portions of West Lafayette and the western portions of Lafayette. There is an additional pocket in the town of Battle Ground. However, the pockets have such a low percentage of African Americans versus other racial populations, they do not appear on the map.

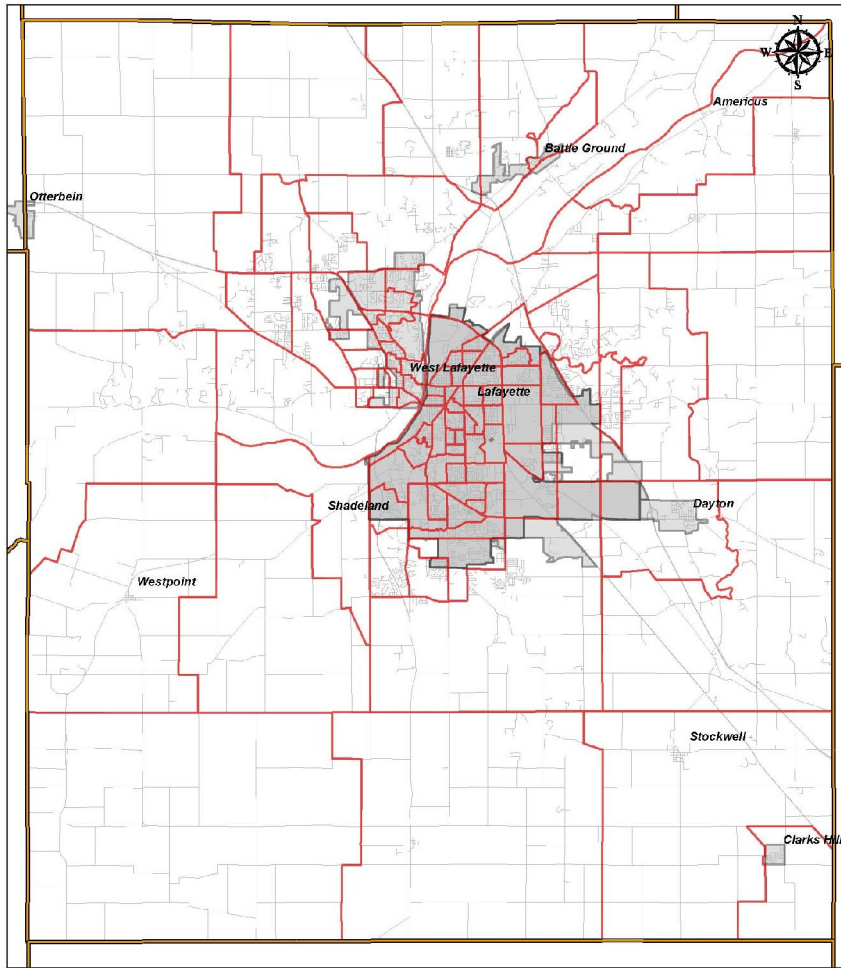


Figure II-VIII:  
Disbursement of  
African American  
Population by  
Census Tract.  
Source: U.S.  
Census, 2000 and  
the Lafayette.

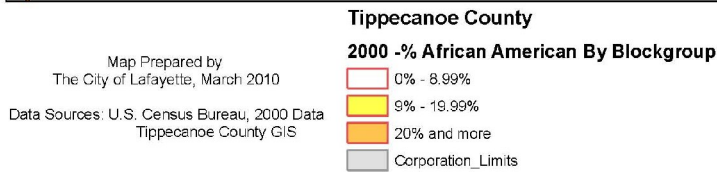


Figure II-XI maps the population density of residents in Tippecanoe County by census tract that identified themselves as Asian in the 2000 census. As previously discussed, the Asian minority is the largest minority in Tippecanoe County. Concentrations, while believed to be connected to Purdue University and its larger Asian student and faculty population, are located in West Lafayette.

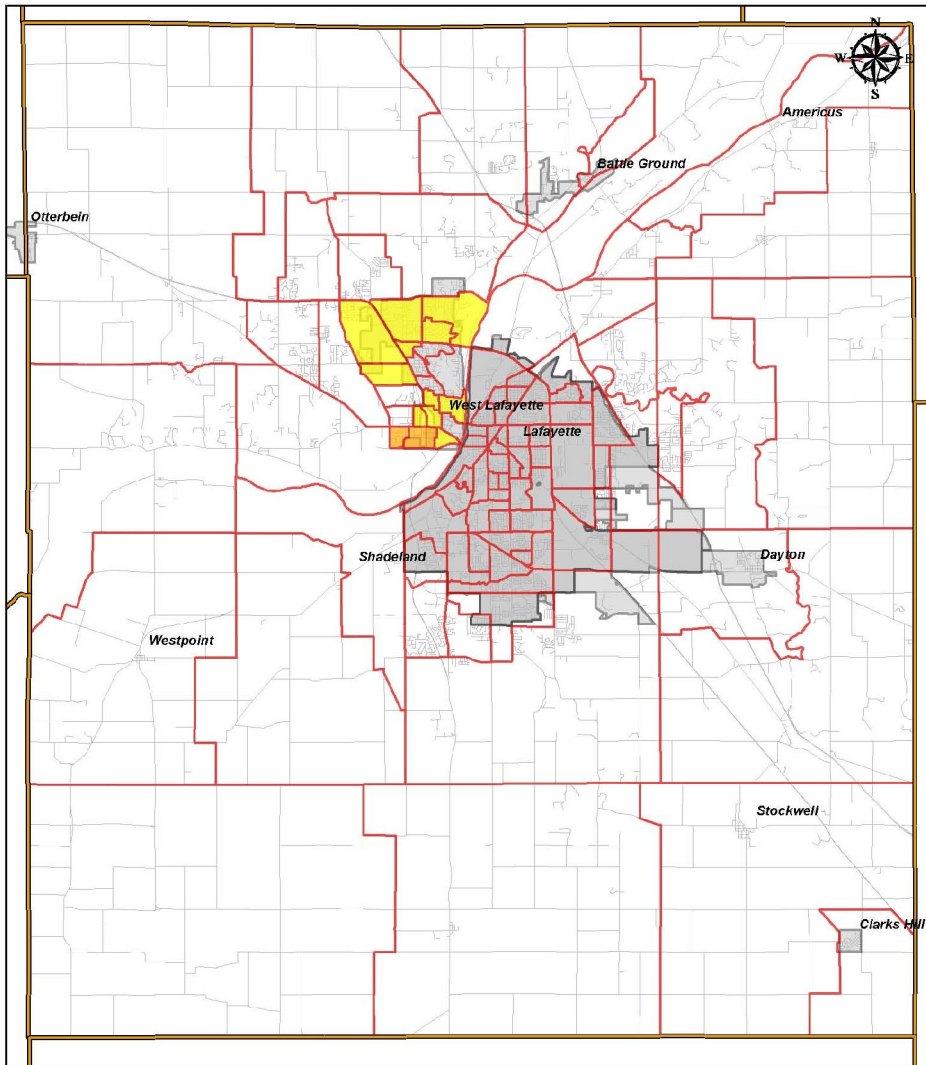


Figure II-IX:  
Disbursement of  
Asian Population  
by Census Tract.  
Source: U.S.  
Census, 2000 and  
the City of  
Lafayette.

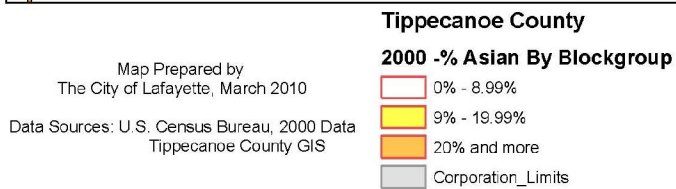


Table II-II: Population Increase by Race. Source: U.S. Census, 2000 and Stats IN, 2008.

	White		Asian		African American		Other Racial Minorities	
	2000	Est. 2008	2000	Est. 2008	2000	Est. 2008	2000	Est. 2008
Tippecanoe County	136,568	147,095	6,923	8,738	3,869	5,912	1,932	2,492

Population estimates by race were not readily available other than at the county level. However, we can see that the White population has only grown by 7% over the past eight years. Minority populations have grown by larger amounts, with the Asian population growing by 20.8%, the African American population growing by 34.6% and the other racial minority populations growing a combined 22.5%. This is an area growing in its diversity over time.

We can also examine the 2000 Census data to focus on the cities of Lafayette and West Lafayette. According to the earlier township analysis, we could surmise that the majority of the racial diversity is located within the city limits. However, the boundaries of the cities do not match those of the townships.

Table II-III: Racial Disbursement by City. Source: U.S. Census, 2000.

	Tippecanoe County	Lafayette	% in Lafayette	West Lafayette	% in West Lafayette
White	132,354	50,143	38%	23,985	18%
African American	3,752	1,816	48%	684	18%
Asian	6,649	689	10%	3,263	49%
American Indian/Alaskan Native	417	210	50%	45	11%
Native Hawaiian/Pacific Islander	48	24	50%	9	19%
American Indian/Alaska Native & White	456	253	55%	36	8%
Asian and White	376	88	23%	155	41%
Black/African American & White	353	183	52%	50	14%
American Indian/Alaska Native & Black/African American	20	10	50%	5	25%
Balance	4,530	2,981	66%	546	12%



Table II-III shows that the cities of Lafayette and West Lafayette are home to most racial minorities within Tippecanoe County. Over half of each minority population lives within the city limits of either Lafayette or West Lafayette. Surprisingly, only 59% of the Asian population lives within the city limits of either Lafayette or West Lafayette. The Asian population appears to be the most disbursed throughout the county, with 41% living in areas outside of the urbanized areas. However, the previous maps show us that even outside the urban limits of Lafayette and West Lafayette, the concentrations of racial minorities is still close to the cities.

Populations who identified themselves as more than one race had greater percentages of the population concentrated within the cities of Lafayette and West Lafayette. The American Indian/Alaskan Native and Black/African American racial population had the highest concentration with 75% living within the cities of Lafayette and West Lafayette.

Table II-IV: Hispanic Population Disbursement by City. Source: U.S. Census, 2000.

	Tippecanoe County	Lafayette	West Lafayette
Hispanic	3,920	2,776	352
Percent of Total	100%	71%	9%

The Hispanic Population is defined by the U.S. Census as an ethnicity, rather than a racial demographic. On the Census forms, an individual may select White as his or her race, but also select Hispanic as his or her ethnicity. As shown in Table II-IV, 71% of the Hispanic population lives within Lafayette. Only a small portion lives within West Lafayette. The balance, or 20% of the Hispanic population, lives within the remainder of Tippecanoe County.

#### Household Size and Characteristics

The total number of households in Tippecanoe County increased by 9,608 between the 1990 and 2000 U.S. Census counts. In 2008, the American Community Survey estimates the number of households increased by 5,976. This represents an increase of 34% over the eighteen-year time period.

The following charts and graphs represent the most current data available about households in Tippecanoe. Household size and characteristics can be tracked through information collected in the American Community Survey (ACS). The most recent ACS data available is from 2008. However, information is only available through the ACS at the county and place level, typically larger urbanized cities and townships. The unincorporated areas of Tippecanoe County and the town of Battle Ground do not have information or data as recent as 2008.



Table II-V: Households by County and City. Source: U.S. Census, 1990, 2000 and the American Community Survey, 2008.

	# Households 1990	# Households 2000	Percent Change in Households 1990 - 2000	2008 ACS Households	Percent Change in Households 2000 – 2008
Tippecanoe County	45,618	55,226	21.0%	61,202	10.8%
Lafayette	18,074	24,060	33.1%	27,145	12.8%
West Lafayette	9,153	10,462	14.3%	11,308	6.3%

The number of households has increased the most rapidly in the city of Lafayette. The city of West Lafayette grew at a much slower pace compared to the city of Lafayette and Tippecanoe County. The combined areas of both cities increase grew at a slower pace than the entire county, with an increase of households of only 9.3% between 2000 and 2008. This is behind the 10.8% growth estimated for the entire county.

Figure II-X shows the growth in household numbers for both cities and the county. All three areas experienced steady increases and growth in the number of households over the past eight years. One can assume that numbers from the 2010 U.S. Census count will show similar growth patterns.

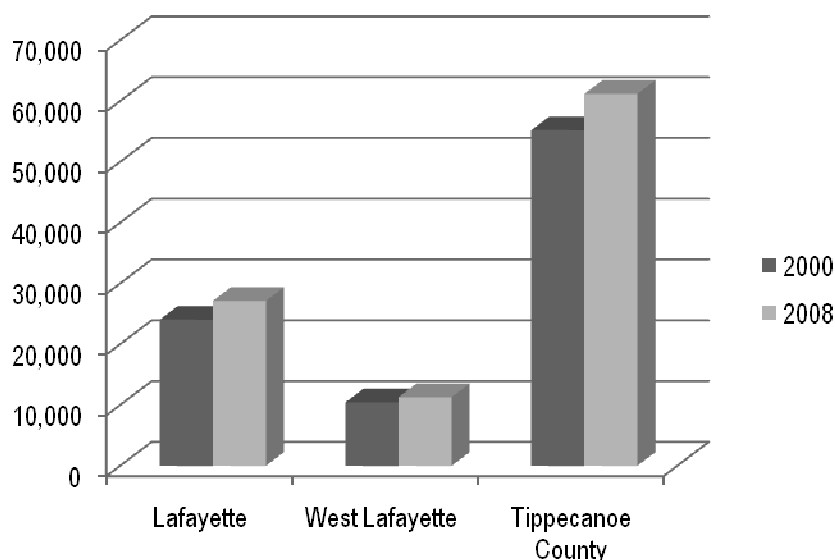


Figure II-X: Percent Household Change by County and City. Source: U.S. Census, 2000 and the American Community Survey, 2008.

Household size is an important aspect of a community's demographic when considering housing needs. When redevelopment or new development takes place in a neighborhood, it is important to know what size of apartment or home is most likely to satisfy the needs of future community residents. The challenge encountered during urban redevelopment is the accurate estimation of household sizes to be planned for in

redeveloped residential areas. Households found in redeveloped communities are unlikely to have the same size and makeup as those that occupied the site prior to redevelopment. This change occurs due to the difficulty predicting how this demographic will change because pre-redevelopment statistics will reflect the vacancies, inefficient land use, and financial losses that existed prior to the redevelopment project.

The average household size in the Tippecanoe County townships has remained relatively steady over the years between 2000 and 2008, as shown Table II-VI. Each area had a slight decrease in the household size over the eight-year period. In general, average household size has decreased across the country since the 1970s. Many industry predictions contend the decline will continue in the years to come.

Table II-VI: Household Size by County and City. Source: U.S. Census, 1990, 2000 and the American Community Survey, 2008.

	Average Household Size 2000	Average Household Size 2008
Lafayette	2.31	2.24
West Lafayette	2.26	2.21
Tippecanoe County	2.42	2.39

As noted in Table II-VII, the households headed by a female in Tippecanoe County have increased in all but one of the seven reporting townships according to the sample data available from the 2000 Census and the 2008 American Community Survey (ACS). The total number of female head of households increased significantly in each of the three areas, Tippecanoe County, Lafayette and West Lafayette.

Table II-VII: Number of Female Head of Households by Township. Source: U.S. Census, 2000 and American Community Survey, 2006.

	# Female Head of Householders 2000	# Female Head of Householders 2008
Lafayette	2,458	7,138
West Lafayette	457	823
Tippecanoe	4,603	11,366

As shown in Figure II-XI, from 2000–2008, Lafayette experienced the largest increase in households headed by females. This demographic grew by 190%. The population of female householders in West Lafayette grew by 80%. County-wide, this demographic has grown by 147% over the past eight years. This indicates a need to provide housing and services that cater to female-headed households, particularly within the city of Lafayette, as this population increases.

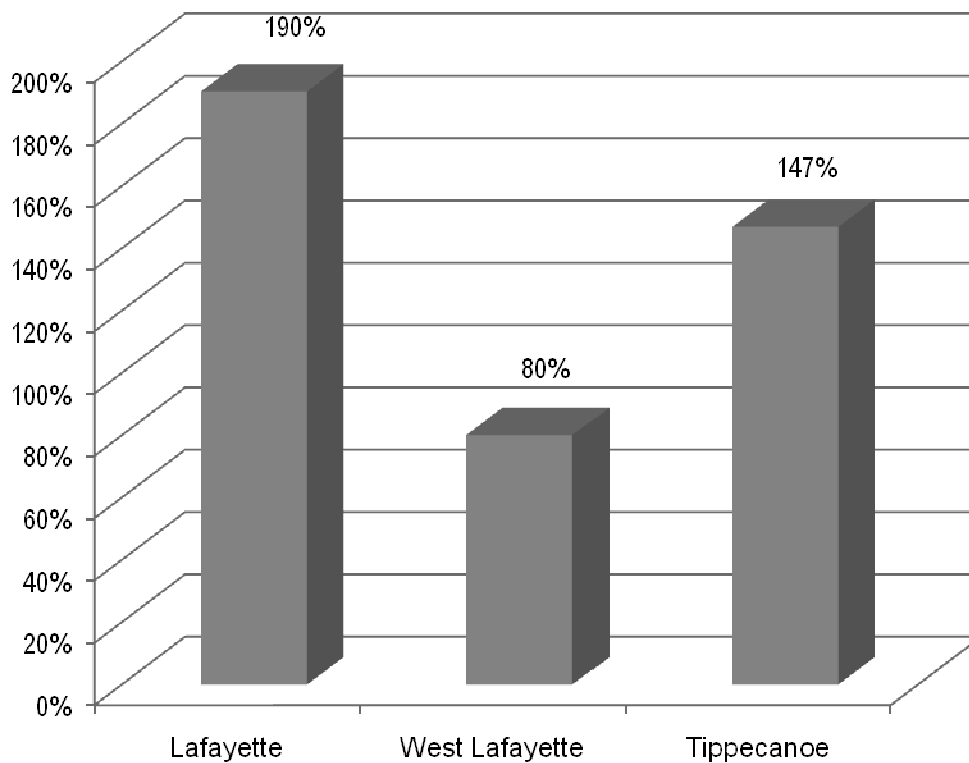


Figure II-XI:  
Percent Female  
Head of Household  
Change by County  
and City. Source:  
U.S. Census, 2000,  
1990 and the  
American  
Community  
Survey, 2006.

In addition to knowing the size of the household, developers must know the needs of potential clients, specifically those with a disability. The ACS did not give data on the number of people living with a disability; however, this document will show the disabled population as listed in the 2000 Census. With the large amount of information available on the U.S. Census Bureau website, historical information at the city level was not readily available. Based on the population distribution of persons living with a disability, shown Table II-VII, a housing provider can determine the need for accessible housing for Tippecanoe County residents.

Table II-VIII: Number of  
Persons Living with a  
Disability County and  
City. Source: U.S.  
Census, 2000.

	2000 Population with a Disability	Percent of 2000 Population with a Disability
Lafayette	9,862	17.4%
West Lafayette	2,663	9.2%
Tippecanoe County	20,073	13.4%

Persons with disabilities may be living in institutionalized care or in group homes. Table II-VIII shows the number of the Tippecanoe County population living in institutional quarters. The correctional facility is located outside the city limits for both Lafayette and West Lafayette. The population of those cities primarily lives in nursing homes or college dormitories. As the area is home to Purdue University, the results in Table II-IX are expected.

Table II-IX: Number of Persons Living in Group Quarters. Source: U.S. Census, 2000.

	Total # Living in Institutionalized Group Quarters	# Living in Nursing Homes	# Living in Correctional Institutions	# Living in Non-Institutionalized Quarters, such as College Dormitories
Lafayette	524	505	0	185
West Lafayette	215	215	0	4,923
Tippecanoe County	1,629	1,141	362	13,497

### Economic Status and Income Distribution

The current economic slowdown has affected the cities of Lafayette and West Lafayette and Tippecanoe County. While the county is mostly rural, it is home to Purdue University. While many other businesses also call the area home, Purdue University provides stability in employment for the area, including the retail and professional services that support the university. In addition to Purdue University, the area is home to a large variety of employers. The following is a list of some of the major employers in the area with more than 700 employees:

- Purdue University, West Lafayette (15,000 employees)
- Subaru of Indiana Automotive, Lafayette (2,761 employees)
- St. Elizabeth Medical Center, Lafayette (2,194 employees)
- Wabash National, Lafayette (1,250 employees)
- Caterpillar, Inc., Lafayette (1,200 employees)
- Fairfield Manufacturing Co, Inc, Lafayette (800 employees)
- Lafayette Venetian Blind Inc., Lafayette (750 employees)
- Alcoa Lafayette, Lafayette (710 employees)

Clarian Arnett is also a large employer, but does not report the number of employees to the Greater Lafayette Commerce.

Figure II-XII shows that while the economy has slowed in the area, the percent of people unemployed in December 2009 is still lower than the state average of 9.9%. The unemployment rate for the metropolitan area of Lafayette in December 2009 was 8.6%. This is a decrease from the high unemployment rate in July 2009 of 10.8%.

Because Lafayette and West Lafayette are geographic neighbors, their economies are synonymous with and depend on each other. Current information under the U.S. Bureau of Labor Statistics includes the city of West Lafayette in the metropolitan area of Lafayette. Additionally, with the economic recession of the latter part of the decade, this document will utilize the 2008 American Community Survey (ACS) and the U.S. Bureau of Labor Statistics for more accurate information. While the 2008 ACS is based on estimates and a population sampling, it provides a more accurate picture of the area when breaking down information by city and county.

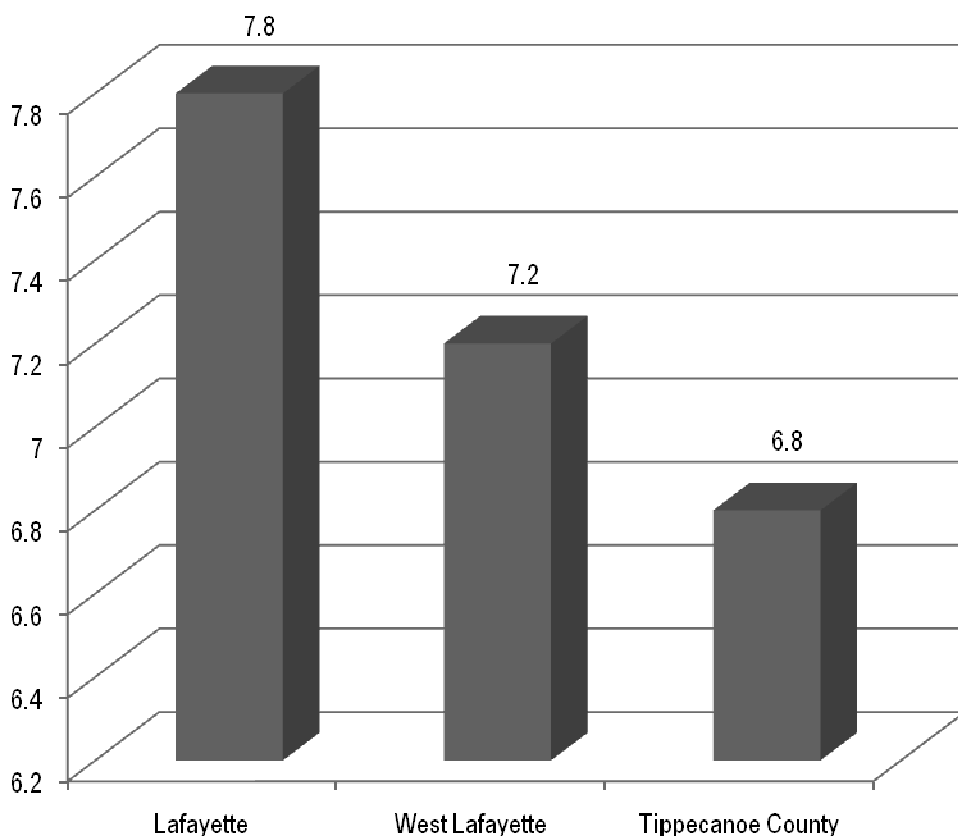


Figure II-XII:  
Percent of  
Unemployment  
by County and  
City. Source:  
American  
Community  
Survey, 2008.

In 2008, the cities of Lafayette and West Lafayette and Tippecanoe County had lower unemployment rates than in December 2009. However, those rates increased over 2008, through 2009 and have steadily declined to the numbers they are now. Table II-X shows the income earned by township.

Table II-X: Income by City and County. Source: American Community Survey, 2008.

	Lafayette	West Lafayette	Tippecanoe County
2008 Per Capita Income	\$21,737	\$19,380	\$22,261
2008 Median Family Income	\$44,348	\$82,202	\$58,781
2008 Median Household Income	\$37,342	\$24,958	\$43,190

In West Lafayette, the differences between per capita income, median family income and median household income range as much as \$62,822 annually. We can assume that the student population, as individuals and as households, brings the number per capita and by household down from the high income of \$82,202 per year. Lafayette and Tippecanoe have similar differences among the three groups; however, the range is reduced.

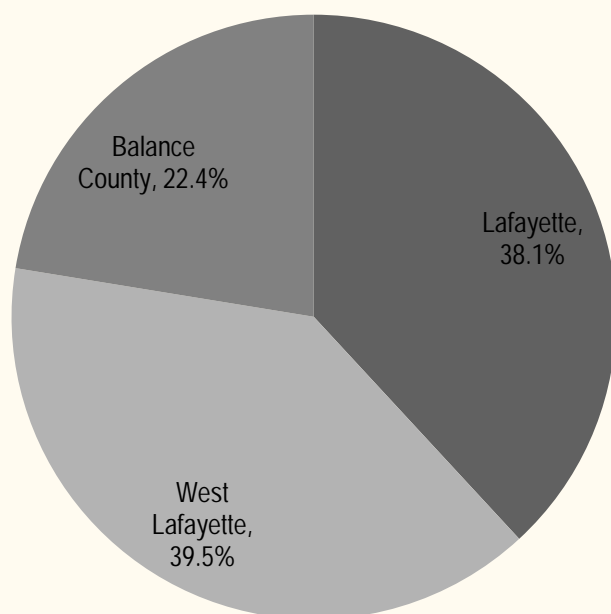


Figure II-XIII: Distribution of Individuals Living in Poverty by City and County. Source: American Community Survey, 2008.

The majority of people living in poverty (39.5%) live in West Lafayette. Lafayette follows with a close second of 38.1% of the population living below the poverty line. A total of 29,398 people in Tippecanoe County live in poverty. Figure II-XIII shows the distribution of people living at or below the poverty line.

The distribution of people living in poverty by age is shown in the Table II-XI. Children under the age of 18 years make up 20% of the population living in poverty. Families with children make up 10% of the total population living below the poverty line. Most of these families live in Lafayette.

Table II-XI: Poverty by Age Group and by City and County. Source: American Community Survey, 2008.

	Lafayette	West Lafayette	Balance Tippecanoe County
Children Under 18	3,920	214	2,676
Adults 18 to 64	3,821	11,041	9,831
Seniors (65+)	404	102	272
Families	2,288	460	1,636
Families with Children	2,073	183	1326

The American Community Survey from 2008 also includes economic information on the number of people receiving government assistance, including Supplemental Security Income, Food Stamps, Social Security or other cash assistance. Other cash assistance can include unemployment checks or Temporary Assistance for Needy Families (TANF). The majority of people receiving this type of assistance live within the city of Lafayette. A total of 61% of the population receiving government assistance lives in Lafayette. The balance of Tippecanoe County, or areas outside the cities of Lafayette and West Lafayette, is home to 28% of the population receiving government assistance.

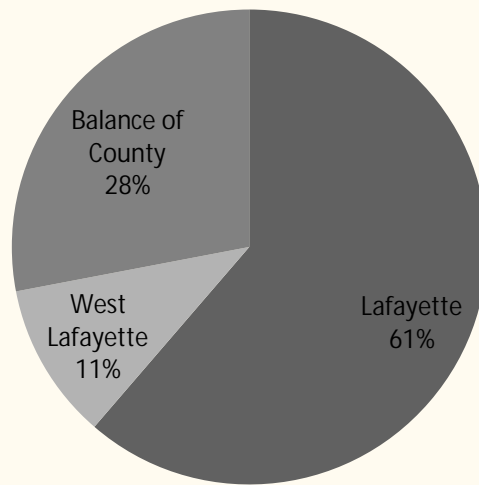


Figure II-XIV:  
Distribution of  
Individuals  
Receiving  
Government  
Assistance  
Income. Source:  
American  
Community  
Survey, 2008.

For those employed in the Lafayette Metropolitan Area, the community has a large number of professions/occupations available for individuals to choose from. According to the U.S. Bureau of Labor Statistics, the Lafayette Metropolitan Area had a total of 83,840 occupations with an average annual wage of \$37,650. Table II-XII lists the general categories of occupations and the mean annual wage for each category. Management occupations fared the best with a mean annual wage of \$94,140, while food preparation and serving related occupations fared the worst with a mean annual wage of \$18,340.

Table II-XII: Number of People Employed and Average Annual Wage by Occupation for the Lafayette Metropolitan Area. Source: U.S. Bureau of Labor Statistics, 2008.

Occupation Type/Category	# Occupations	Mean Annual Wage
Architectural and Engineering Occupations	1,360	\$59,880
Arts, Design, Entertainment, Sports and Media Occupations	1,030	\$37,240
Building and Grounds Cleaning and Maintenance Occupations	2,960	\$21,990
Business and Financial Operation Occupations	1,940	\$54,510
Community and Social Service Occupations	860	\$39,810
Computer and Mathematical Science Occupations	1,400	\$55,070
Construction and Extraction Occupations	3,210	\$40,470
Education, Training and Library Occupations	9,400	\$51,200
Farming, Fishing and Forestry Occupations	210	\$30,270
Food Preparation and Serving Related Occupations	8,240	\$18,340
Healthcare Practitioner and Technical Occupations	3,960	\$63,530
Healthcare Support Occupations	1,910	\$24,390
Installation, Maintenance and Repair Occupations	3,870	\$38,230



Occupation Type/Category	# Occupations	Mean Annual Wage
Legal Occupations	240	\$72,720
Life, Physical and Social Science Occupations	1,040	\$48,230
Management Occupations	2,830	\$94,140
Office and Administrative Support Occupations	12,130	\$29,450
Personal Care and Service Occupations	1,880	\$19,260
Production Occupations	11,390	\$35,300
Protective Service Occupations	1,070	\$36,430
Sales and Related Occupations	7,790	\$28,780
Transportation and Material Moving Occupations	5,120	\$28,670

Despite these numbers being the most recent, the U.S. Bureau of Labor Statistics included portions of Benton and Carol Counties as part of the Lafayette Metropolitan Area in its wage survey. To depict the picture of just the cities of Lafayette and West Lafayette, Table II-XIII shows the number of households by income for the 2008 year.

Table II-XIII: Household Income by City.  
Source: American Community Survey,  
2008.

Income Range	Lafayette	West Lafayette
Under \$10,000	2,348	2,745
\$10,000 to \$14,999	1,926	1,144
\$15,000 to \$24,000	4,451	1,770
\$25,000 to \$34,999	3,773	949
\$35,000 to \$49,999	4,752	961
\$50,000 to \$74,999	4,932	972
\$75,000 to \$99,999	2,660	1,152
Above \$100,000	2,303	1,615

The median income for a household during 2008 in Lafayette was \$37,342 and the median income for a household during that same period in West Lafayette was \$24,958. Given that the median income for Lafayette is higher, it is important to remember that the poverty rate is still higher within the city limits of Lafayette, as discussed earlier in this section.

### III: Housing Profile

This section of the Analysis of Impediments to Fair Housing Choice (AI) analyzes the land use for Lafayette, West Lafayette and Tippecanoe County and evaluates the public policies regarding land use and planning to determine whether they result in any impediments to fair housing choice.

#### Housing Affordability

Affordable housing is not necessarily low-income housing. Affordable housing is housing that costs less than 30% of a household's gross monthly income. Households who spend more than 30% of their gross monthly income on housing costs are considered to have a cost burden. By evaluating the number of households with cost burden, the cities of Lafayette and West Lafayette may determine if a shortage in affordable housing exists.

For this analysis, the housing information comes via the HUD CHAS figures, or the Comprehensive Housing Affordability Strategy data. The information is broken down by areas that receive federal grants. For Tippecanoe County, the grant areas are defined as the cities of Lafayette, West Lafayette and all areas in the HOME Consortium, which includes the two cities.

A large number of households spend more than 30% of their gross monthly income towards housing costs. By spending more than 30% of the gross monthly income, the household is considered to have a housing problem or an added cost burden by the U.S. Department of Housing and Urban Development (HUD). Figure III-I shows the housing cost burdens for homeowners throughout Lafayette and West Lafayette.

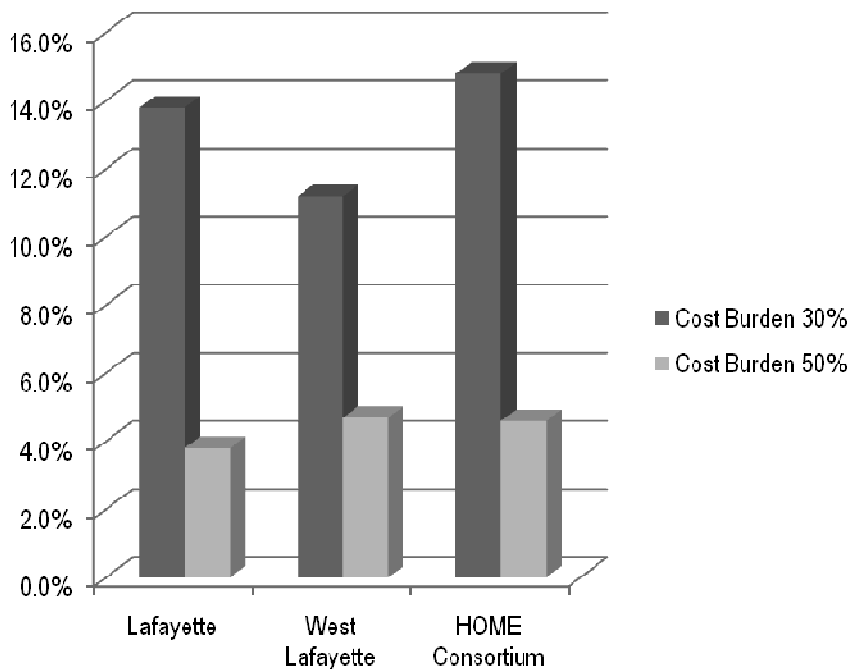


Figure III-I: Housing Cost Burden for Homeowners by Grant Area. Source: U.S. Department of Housing and Urban Development, CHAS, 2000.

The HOME Consortium has the largest percentage of homeowners with cost burdens. A total of 14.8% of homeowners living within the borders of the HOME Consortium communities spend more than 30% of their gross monthly income towards housing. This is over 4,300 homeowner households. Upon consultation

with the local housing counseling agency, City Consultants and Research, LLC learned that most homeowners on the edge of foreclosure are spending every dollar they have to keep their home. This leaves very little for regular or large maintenance projects. This may present itself as a problem throughout these communities as homeowners are unable to keep up with both the cost of mortgage payments, taxes and insurance as well as regular maintenance.

Renters tend to have a greater cost burden than homeowners. This area is no exception to that general rule. West Lafayette is the area with the greatest number of households that rent and have a cost burden. Competition for housing with students can often drive up the price of housing to levels beyond the affordability of local families who stay in the area year-round. Over 64% of the renter households in West Lafayette spend more than 30% of their gross monthly income towards housing costs. A total of 43% of renter households in West Lafayette spend over half of their gross monthly income towards housing. This is particularly important because West Lafayette has a higher number of minority households living within its borders. Much of this is due to the international students and minorities attending Purdue University as discussed earlier in the general demographics. Figure III-II shows the cost burden for renter households within Tippecanoe County.

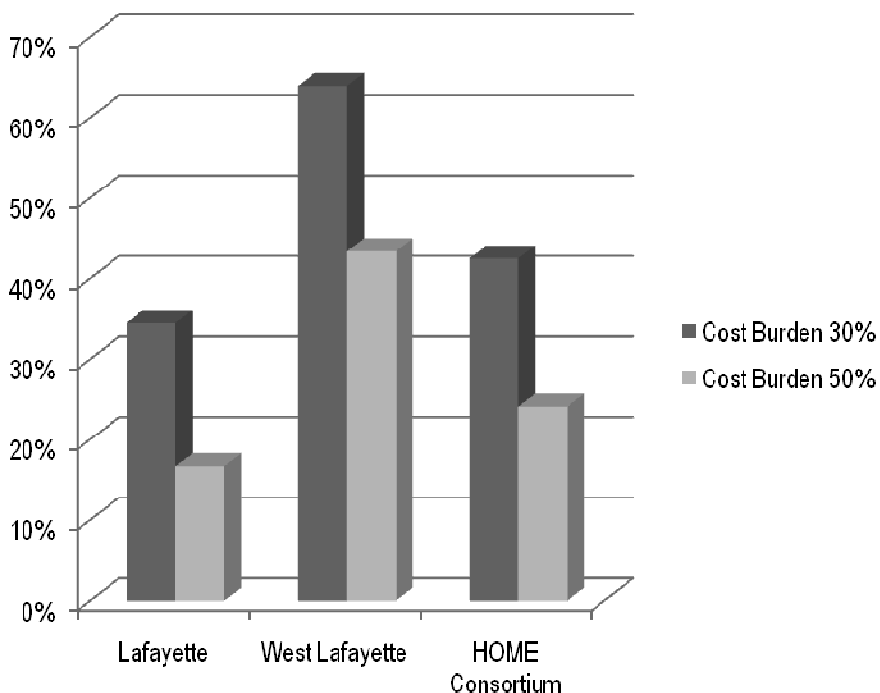


Figure III-II:  
Housing Cost  
Burden for  
Renter  
Households by  
Grant Area.  
Source: U.S.  
Department of  
Housing and  
Urban  
Development,  
CHAS, 2000.

With West Lafayette showing the greatest cost burden, it is no surprise that they have the fewest rental units affordable to extremely low-income households. For the purpose of this document, extremely low-income households earn less than 30% of the Median Family Income. Only 10.5% of all rental units are affordable to households with an annual income that low.

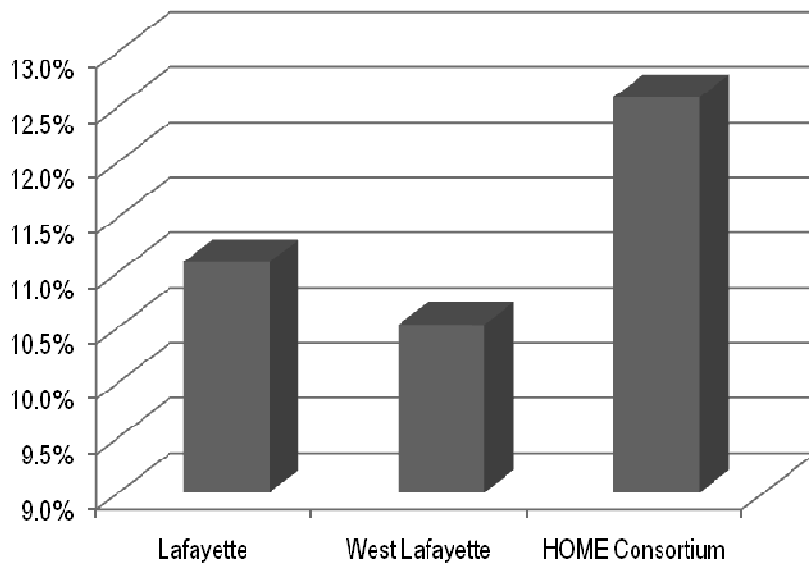


Figure III-III:  
Percentage of  
Affordable Rental  
Units for Households  
Earning 0-30% MFI.  
Source: U.S.  
Department of  
Housing and Urban  
Development, CHAS,  
2000.

This trend continues throughout each income bracket traditionally used by HUD. For households earning 31-50% of the Median Family Income, only 17.8% of all rental units within West Lafayette are affordable. Whereas, for the households living within the city of Lafayette or the remaining areas of the Consortium area, 35.5% and 32.9% of the rental units are affordable, respectively. Figures III-IV and III-V show the continuing trend of affordability mismatch in West Lafayette compared to the other two HUD areas.

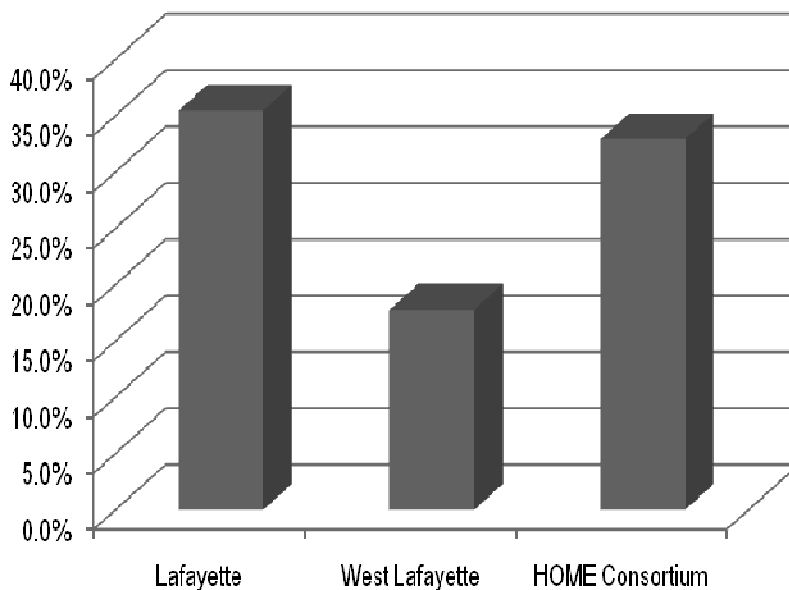


Figure III-IV:  
Percentage of  
Affordable Rental  
Units for Households  
Earning 31-50% MFI.  
Source: U.S.  
Department of  
Housing and Urban  
Development, CHAS,  
2000.

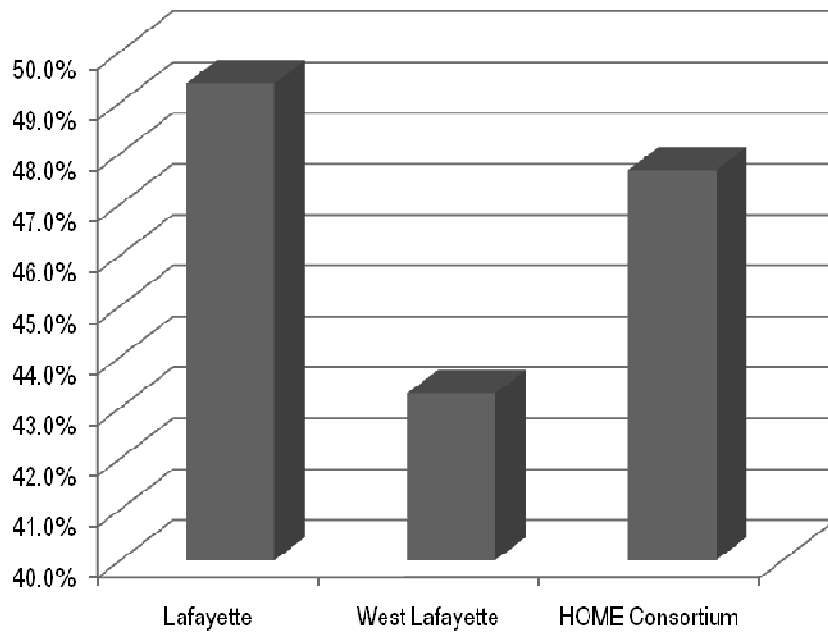


Figure III-V:  
Percentage of  
Affordable Rental  
Units for Households  
Earning 51-80% MFI.  
Source: U.S.  
Department of  
Housing and Urban  
Development, CHAS,  
2000.

The same holds true for home values affordable to households that earn a lower income and want to own their own homes. The majority of the units affordable to households with low or moderate incomes are mostly located within Lafayette and the HOME Consortium areas, excluding West Lafayette. With Tippecanoe County being rural, it is not surprising that a large number of homeownership units would be available in the unincorporated areas and be affordable to moderate- and upper-income households. Traditionally, rural areas are affordable to households at those income levels. Figure III-VI shows the distribution of home values affordable to various income levels.

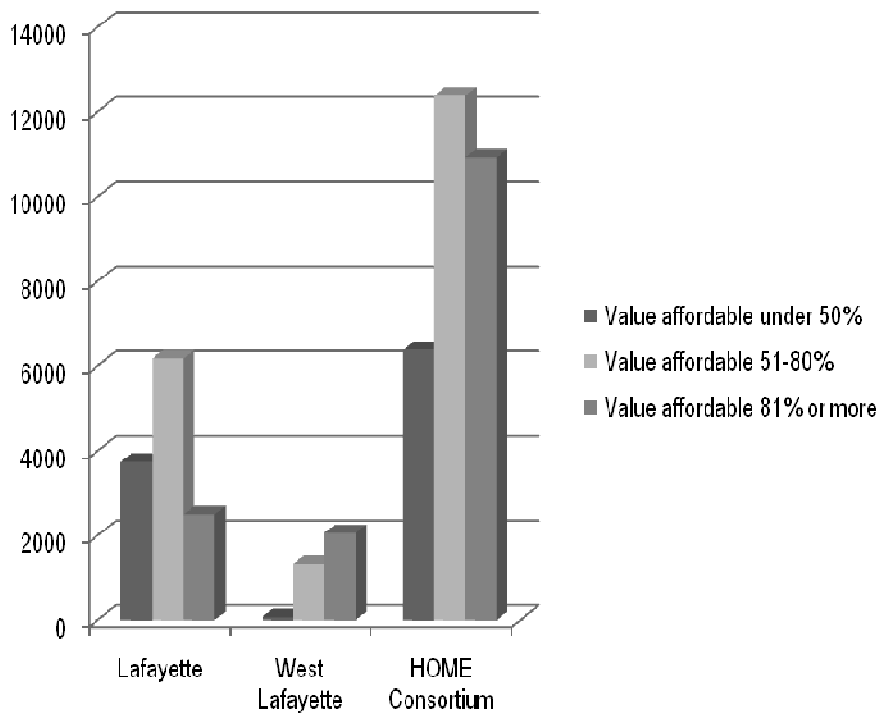


Figure III-VI:  
Number of  
Rentals  
Affordable to  
Households at  
31-50% of MFI.  
Source: U.S.  
Department of  
Housing and  
Urban  
Development,  
CHAS, 2000.

## Housing Development

Lafayette, being the largest city in Tippecanoe County, has the most housing units located within its borders. Table III-I shows the number of units by city and the balance of the county. The portions of Tippecanoe County not incorporated as part of Lafayette or West Lafayette have the highest vacancy rate for the housing units. With a 13.8% vacancy rate, housing vacancy far exceeds the 9% and 6% of Lafayette and West Lafayette, respectively.

Table III-I: Number of Housing Units by City and County, American Community Survey, 2008.

	Lafayette	West Lafayette	Balance of County
Occupied	27,145	11,308	22,749
Vacant	2,914	814	3,653
Total	30,059	12,122	26,402

While the home foreclosure crisis caught attention nationwide in 2008 and 2009, the momentum of housing development slowed in Tippecanoe County much earlier, around 2003 and 2004. Figure III-VII shows the drop in permits for new construction of homes starting in 2004 for single family homes and in 2003 for homes accommodating two or more families.

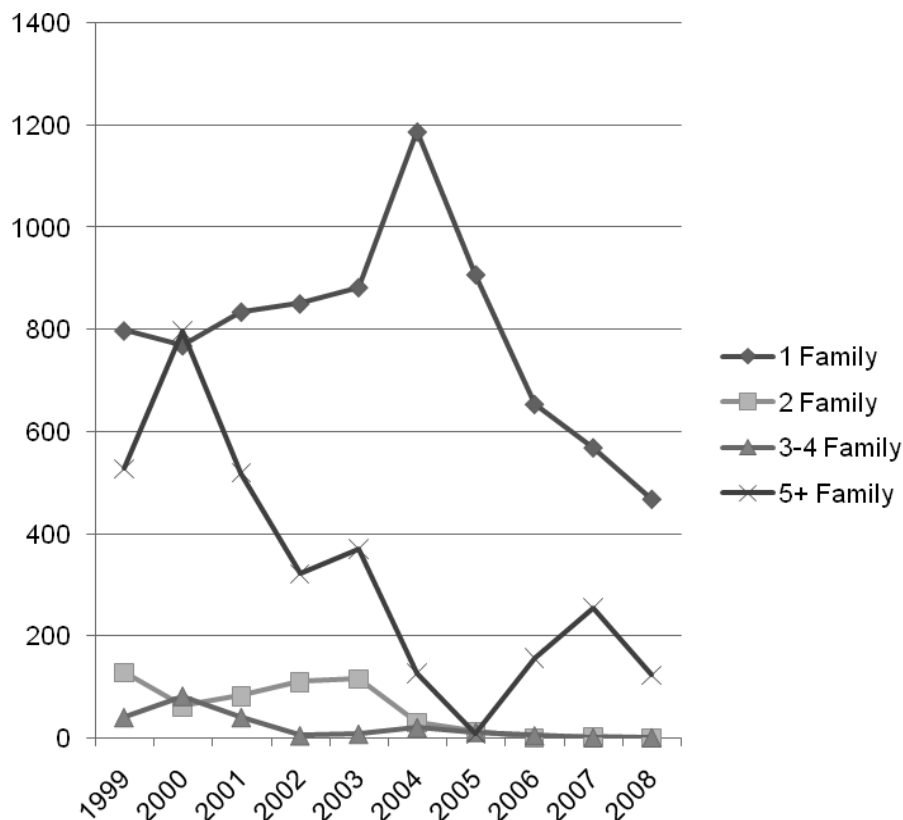


Figure III-VII: Net Gain Residential Units in Tippecanoe County 1999-2008. Source: Indiana Business Research Center, 2010.

### Living Wage<sup>1</sup>

Indiana is often considered an affordable place to live, when compared with coastal states, such as California, Massachusetts, or New York. Much of Indiana, including Lafayette and West Lafayette, does have a high number of affordable units, and consequently it may be difficult to understand why or how the area also has an affordable housing shortage. As discussed in earlier sections of this housing analysis, a large number of renters with very low income pays more than 30% of their gross monthly income towards housing costs. Over the last decade, Tippecanoe County added 13,150 housing units. With a large number of units available, how can a shortage occur? To answer this question, it is important to look at the living wage needed to afford the housing available in the Lafayette Metropolitan Area.

In 2009, the Area Median Income (AMI) for Tippecanoe County and the Lafayette Metropolitan area was \$60,500 annually. The U.S. Department of Housing and Urban Development (HUD) establishes affordability at 30% of a household's gross monthly income. So the maximum housing cost for a household at 100% AMI is \$1,513 per month. Table III-II shows the maximum housing cost for each income level used by HUD.

<sup>1</sup> Housing statistics and living wage information was compiled by the National Low Income Housing Coalition and City Consultants and Research, LLC.

Table III-II: Maximum Affordable Monthly Housing Costs by Percent Median Family Income for the Lafayette Area. Source: National Low Income Housing Coalition, 2009.

Maximum Affordable Monthly Housing Cost by % of Family AMI	
30%	\$454
50%	\$756
80%	\$1,210
100%	\$1,513

Fair market rents for two-bedroom apartments are the general measure for figuring the living wage for an area. Fair market rents are “the maximum chargeable gross rent in an area for projects participating in the HUD Section 8 program as determined by HUD (Danter Company).” The 2009 fair market rent for a two-bedroom apartment in the Lafayette area was \$770 per month. The wage needed to afford a two-bedroom apartment is \$30,800 annually. Working only 40 hours per week, the hourly wage needed to reach this income is \$14.81.

In 2009, the minimum wage increased to \$6.55 per hour. In order to afford a two-bedroom apartment in the Lafayette Metropolitan area, a person would need to work 90 hours per week. The American Community Survey estimates the median income for a renter in 2009 was \$26,718 annually. Even at the higher wage, roughly \$10.40 per hour, the renter would need to work 57 hours per week to afford their housing. Even for a one-bedroom apartment, this person would need to work 46 hours per week.

### HMDA Analysis

Information contained in the following tables comes from the online reports available from the Federal Financial Institutions Examination Council (FFIEC). The FFIEC is responsible for the collection and administration of the Home Mortgage Disclosure Act (HMDA), reporting data that financial institutions are required to submit. The most recent data available comes from the 2008 calendar year.

In the Lafayette MSA, 6,881 home loan applications were filed during this time. These home loan applications fell into one of the following four categories: (1) Government Guaranteed Home-Purchase, (2) Conventional Home-Purchase, (3) Refinancing, and (4) Home Improvement. By far, refinancing loans and conventional home loans are the two largest percentages of the 2008 complete home loan application pool. Applications for loans to refinance an existing home purchase loan made up slightly over 52.2% of all applications and conventional home loans made up nearly 24.8% of all applications, totaling 77%. The remaining 23% of the total home loan applications was comprised of home improvement loan applications (6.5%) and government guaranteed loan applications (16.5%).



Table III-III illustrates the total number of home loan applications made by loan type. The total applications received are further categorized by final loan status. Only 58% of all applications resulted in a loan origination. Nearly 23% were denied. The remaining applications were deemed incomplete, not accepted or withdrawn.

Table III-III: Number of Loans by Type. Source: Home Mortgage Disclosure Act, 2008.

	Government Guaranteed Home Purchase	Conventional Home Purchase	Refinance	Home Improvement	Total
Loans Originated	767	1,307	1,722	201	3,997
Applications Approved, Not Accepted	55	71	195	21	342
Applications Denied	204	157	1,014	175	1,550
Applications Withdrawn	99	154	576	31	860
Applications Determined Incomplete	17	18	88	9	132
Total Loan Applications Received	1,142	1,707	3,595	437	6,881

Conventional Home Purchases had the highest rate of loan origination, with 76.6% of all applications resulting in a loan. Government Guaranteed Home Purchase Loans had a slightly lower rate of approvals, with 67.7% of all applications resulting with a loan. Both categories had low denial rates, reaching only 17.9%.

On the opposite side of the spectrum, Home Improvement loans had the highest denial rate, with a 40% rate of denial. The reason for such a high denial rate will be examined further in this document.

Applicants seeking to refinance old loans experienced loan originations and loan denials with 47.9% and 28.2% rates respectively. Figure III-VIII shows the difference in originations versus denials for each loan type.

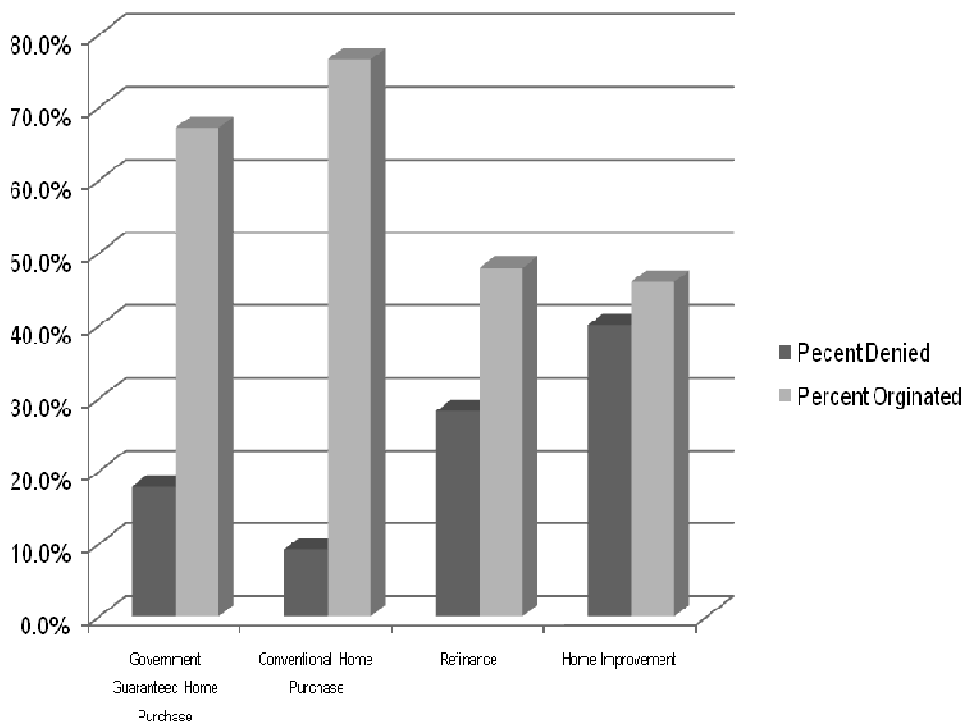


Figure III-VIII:  
Percent of Loan Origination and Denials for Loan Applications by Type.  
Source: Home Mortgage Disclosure Act, 2008.

#### -Government Guaranteed Home-Purchase loans-

In 2008, Government Guaranteed Home-Purchase (government guaranteed) loan applications made up 5% of the total home loan applications in the Lafayette Metropolitan Statistical Area (MSA). A government guaranteed loan is available through and secured by the federal government of the United States. Government guaranteed loans are offered by three different agencies: the Federal Housing Administration (FHA), the Veterans Association (VA) and the United States Department of Agriculture (USDA).

The FHA loan is characterized by a fixed rate mortgage accessible to first-time and low-to-moderate income buyers. It is easier for these buyers to qualify for the FHA loan because it requires a smaller down payment (usually around 3.5%) and the interest rate is typically lower than those available from a Conventional Home-Purchase loan. Government guaranteed loans are only available to purchase homes that will be owner occupied.

The VA offers government guaranteed mortgages to individuals with a history of active military service or those who have survived the death of a spouse that was an active service member. If an individual applicant meets the criteria and can prove the ability to make monthly payments, a VA home mortgage can be obtained with little or no down payment.

The USDA administers the Rural Development Guaranteed Housing loan program that provides mortgages for low-to-moderate income individuals wanting to purchase a home in an area that is designated a Rural Development area by the USDA. Applicants with a less-than-perfect credit history are able to qualify for this loan when they may not be able to qualify for a conventional loan because the USDA guaranteed loans do not require a down payment or mortgage insurance.

Out of the 1,142 applications that were made for government guaranteed loans, 212 were denied. Denials are based on an applicant's rating in one of the following nine evaluation areas:

- Debt to income ratio
- Employment history
- Credit history
- Collateral
- Cash accounts
- Quality of information given in application
- Completeness of application
- Mortgage insurance availability
- Other

Table III-IV shows the total number of applicants for government guaranteed loans in the Lafayette MSA for the year 2008, categorized by race and ethnicity. A problem with credit history is cited as the most common reason for denial in this loan type. A total of 40.1% of the total application denials were denied for this reason. The second highest reason for denial in this loan type is cited as a problem with the applicant's debt to income ratio. A total of 20.3% of the total application denials were denied for this reason.

The third most common reason for denial in this loan type is cited as collateral, which accounted for 11.8% of the total denials. "Other" reasons were cited for 7.5% of the application denials. HMDA does not give a specific definition for this category; however, industry expert, Darin Sewell, a seasoned Wisconsin mortgage broker, believes that the reason for the high denial rates attributed to the other category is the current drop in real estate values across the country and the resulting discrepancy between what the buyers and sellers agree to as the price and what the bank is willing to loan on a property. This denial is likely to take place during the underwriting phase of the loan process.

Table III-IV: Number of Government Guaranteed Loans Denied by Race and Ethnicity. Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
<b>Race</b>										
American Indian or Alaska Native	0	0	0	0	0	0	0	0	0	0
Asian	0	0	1	0	0	0	0	0	0	1
Black or African American	1	0	3	0	0	1	2	0	0	7
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0	0	0	0	0
White	38	9	75	24	14	4	10	1	13	188
Two or More Minority Races	0	0	0	0	0	0	0	0	0	0
Joint (White/Minority Race)	0	0	1	0	1	0	0	0	1	3
Race Not Available	4	1	5	1	0	0	0	0	2	13
Total by Race	43	10	85	25	15	5	12	1	16	212
<b>Ethnicity</b>										
Hispanic or Latino	3	0	2	1	0	1	1	0	1	9
Not Hispanic or Latino	37	9	79	24	15	4	11	1	13	193
Joint (Hispanic or Latino/Not Hispanic or Latino)	1	0	0	0	0	0	0	0	0	1
Ethnicity not available	2	1	4	0	0	0	0	0	2	9
Total by Ethnicity	43	10	85	25	15	5	12	1	16	212
Percent of Total	20.3%	4.7%	40.1%	11.8%	7.1%	2.4%	5.7%	0.5%	7.5%	100.0%

Examining the data by race, White applicants comprised 90.6% of all applicants for government guaranteed financing, but only accounted for 87.5% of the total applicants denied. African American applicants comprised 2.4% of all applicants for government guaranteed financing, but accounted for 4.2% of all applicants denied financing. A higher proportion of African American applicants were denied government guaranteed financing than the total makeup of the applications by 1.8%. Conversely White applicants made up a lesser proportion of total applicants denied at a rate of 3.1% less. The remaining 6.9% of applicants who classified themselves other than White were denied a rate of 8.3%. All minority races account for less than the total applicant pool, but were denied at a higher rate.

Applicants who classified themselves as Hispanic made up 5.4% of the total government guaranteed applications denied. Out of the 1,324 applications filed, Hispanic applicants account for 4.3% of applicants. This also shows a disproportionate amount of Hispanics were denied government guaranteed financing. Both Hispanics and Minority race applications are denied government guaranteed financing at a higher rate than the portion of their race or ethnicity in the total applicant pool.

The data available through the Federal Financial Institutions Examination Council (FFIEC) online reports also allows for applications to be tracked by an applicant's income. Applicants with the lower incomes experienced a higher denial rate than applicants with higher incomes. Credit history continues to be the number one reason for a denial despite income levels. This data suggests that education on the importance of credit may change the numbers at the income level. Table III-V shows the reasons for denial by income.

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Table III-V: Number of Government Guaranteed Loans Denied by Income.  
Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Less Than 50% of MSA Median	11	4	13	3	4	0	1	0	3	39
50 – 79% of MSA Median	15	3	43	11	8	4	6	1	3	94
80 – 99% of MSA Median	6	1	8	1	1	0	0	0	3	20
100 – 199% of MSA Median	2	0	8	3	1	0	2	0	3	19
120% or More of MSA Median	9	2	12	7	1	1	3	0	4	39
Income Not Available	0	0	1	0	0	0	0	0	0	1
Total	43	10	85	25	15	5	12	1	16	212

### -Conventional Home-Purchase Loans-

In 2008, 1,707 applications for Conventional Home-Purchase (conventional) loans were submitted. This makes up 24.8% of the total home loan applications. Conventional loans to purchase housing are made by private financial institutions. The terms to qualify for these loans varies based on the individual underwriting at each institution. Furthermore, the down payment amount and interest rates vary based on the way an applicant scores on their application. Out of that year's applicants, 193, or 11.3%, were denied conventional financing to purchase a home.

The most common reason cited by the HMDA data tables for a denied conventional loan application is credit history. Forty three, or 22.3%, of the total denials for this loan type were made for this reason. The second most common reason for a conventional loan application denial was a problem with the applicant's collateral. Thirty nine, or 20.2%, of the total denials for this loan type were made for this reason. Only two percentage points separate the top two reasons for loan denials in the conventional market.

While not as common as in the government guaranteed loan category denials, too much debt, as determined by the applicant's debt to income ratio, is still a fairly common reason that an applicant was denied for a conventional loan. In 2008, 14% of the denials in the Lafayette MSA for this loan type were made for this reason.

Table III-VI shows the reasons for denials in the conventional loan market by race and ethnicity.

Table III-VI: Number of Conventional Home Purchase Loans Denied by Race and Ethnicity. Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Race										
American Indian or Alaska Native	0	0	0	1	0	1	0	0	0	2
Asian	2	0	0	0	0	2	0	0	1	5
Black or African American	4	0	0	1	0	0	0	0	2	7
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0	0	0	0	0
White	21	5	39	35	11	8	17	4	27	167
Two or More Minority Races	0	0	0	0	0	0	0	0	0	0
Joint (White/Minority Race)	0	0	3	1	0	2	0	0	0	6
Race Not Available	0	0	1	1	0	1	1	0	2	6
Ethnicity										
Hispanic or Latino	0	0	3	0	1	2	0	0	3	9
Not Hispanic or Latino	27	5	40	37	10	12	16	4	28	179
Joint (Hispanic or Latino/Not Hispanic or Latino)	0	0	0	1	0	0	1	0	0	2
Ethnicity not available	0	0	0	1	0	0	1	0	1	3
Total	27	5	43	39	11	14	18	4	32	193



When examining this information by race, a trend similar to that of government guaranteed loans occurs in the conventional market. Whites make up 87.1% of the total conventional loan applications while only making up 85.9% of the total denials. African Americans make up 1.3% of the total applications for conventional loans while making up 3.9% of the denials. Asians were the only minority to make up a greater percentage of the applicants (2.8%) than of the total denials (1.5%). A total of 3.4% of the applicants denied conventional loan applications made were Hispanic. Hispanic applicants comprised 2.4% of the total applicants for conventional home financing. While the differences between the percentage of applicants and the percentage of denials are small, it is important to note that racial minorities and Hispanics experience denial rates higher than of their white counterparts.

Credit history and "Other" are the top reasons for denial of conventional loans. However, credit history is the number one reason for loan application denials for low- to moderate-income applicants, or those earning 80% or less of the area median income. For those applicants earning more than 80% of the area median family income, collateral is the number one reason they are denied a conventional loan. Table III-VII shows the reason for loan denials at each income level.

Table III-VII: Number of Conventional Home Purchase Loans Denied by Income. Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Less Than 50% of MSA Median	5	2	8	5	3	2	4	1	2	32
50 – 79% of MSA Median	9	0	16	6	5	10	4	0	9	59
80 – 99% of MSA Median	1	1	3	4	0	0	1	0	4	14
100 – 199% of MSA Median	5	0	5	6	2	0	0	1	5	24
120% or More of MSA Median	7	2	8	18	1	2	9	2	11	60
Income Not Available	0	0	3	0	0	0	0	0	1	4
Total	27	5	43	39	11	14	18	4	32	193

## - Home Loan Refinancing –

The largest percentage of total home loan applications in the country in 2008 consisted of homeowners refinancing their existing mortgages. With 3,595 total applications, Home Loan Refinancing applications accounted for over 52% of the total home loan applications. Of the total applicants, 84.5% were White, 1.7% was African American and 2.4% were individuals that classified themselves as one of the other minority races. Race information was not available for 13.2% of the total applicants.

Eight hundred and fifty-one, or 23.6%, were denied based on a poor application score in one of the basic nine evaluation areas. The top two reasons for denial were credit history and collateral. Out of the 24.2% of applicants denied a loan due to a perceived problem with their credit history, 70% were White, 2.4% were African American and 1.9% consisted of one of the other racial minorities. Surprisingly, the percentage of applicants and percentage of denials were even in this category of home loan. With than less than 1% difference between the makeup of the applicants and denials, the rate for denial was even among all races.

This situation is different for Hispanic applicants. In 2008, applicants that classified themselves as Hispanic made up 4.7% of the total refinancing applications denied. Out of the 3,595 applications filed, Hispanics accounted for 3.4% of applicants.

Credit history and collateral are the top reasons for denial of home refinance loans, but the breakdown by income is the opposite of the conventional loan market. Collateral is the number one reason for loan application denials for all income applicants. This can be due to lower property values and discrepancies between how the buyer and the mortgage lender assess a property. However, there is no definite explanation for collateral being used so regularly as a reason for denial. Credit history is another reason cited often for denial of the home refinance loan, but not to the extent of collateral.

Tables III-VIII and III-IX show the reason for loan denials by race, ethnicity and income level.

Table III-VIII: Number of Refinance Loans Denied by Race and Ethnicity. Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Race										
American Indian or Alaska Native	1	0	1	0	0	0	1	0	0	3
Asian	4	0	0	3	1	0	0	0	1	9
Black or African American	6	1	5	2	0	1	1	0	2	18
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0	0	0	0	0
White	125	3	165	226	15	19	47	7	73	680
Two or More Minority Races	0	0	1	0	0	0	0	0	0	1
Joint (White/Minority Race)	1	0	3	2	0	0	0	0	0	6
Race Not Available	29	0	31	38	8	3	6	1	18	134
Ethnicity										
Hispanic or Latino	11	0	15	9	2	3	4	0	7	51
Not Hispanic or Latino	126	4	155	218	13	17	45	7	68	653
Joint (Hispanic or Latino/Not Hispanic or Latino)	0	0	2	4	1	0	0	0	1	8
Ethnicity not available	29	0	34	40	8	3	6	1	18	139
Total	166	4	206	271	24	23	55	8	94	851

Table III-IX: Number of Refinance Loans Denied by Income. Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Income										
Less Than 50% of MSA Median	38	1	19	25	3	2	3	0	9	100
50 – 79% of MSA Median	51	0	48	56	5	3	14	1	17	195
80 – 99% of MSA Median	15	0	32	38	8	6	10	1	15	125
100 – 199% of MSA Median	17	1	37	39	3	3	6	2	15	123
120% or More of MSA Median	42	1	59	109	0	8	19	4	32	274
Income Not Available	3	1	11	4	5	1	3	0	6	34
Total	166	4	206	271	24	23	55	8	94	851

## - Home Improvement Loans -

Home Improvement loan applications accounted for 6.3% of the total loan applications. Of the total applicants, 86% were White, 1.4% was African American, and 2.9% were individuals that classified themselves as one of the other minority races. Race information was not available for 9.8% of the total applicants. Of the 592 total applications made for home improvement loans in 2008, 250, or 42.2%, were denied based on a poor application score in one of the basic nine evaluation areas. As discussed in the general HMDA analysis section, this category of loan financing experienced the highest denial rate out of all four loan types.

Credit history (59.6%) and debt to income ratio (33.7%) account for the largest amount of denials. Out of the applicants denied a loan due to a perceived problem with their credit history, 82% were White, 3.4% were African American and the remaining denials (14.6%) were from applicants with no racial information available. Out of the applicants denied a loan for debt to income ratio, 81.5% were White, 3% were racial minorities and 15.5% were applicants with no racial information. In both cases, racial minorities experience a higher rate of denial than the proportion of applicants in the total applicant pool.

Applicants that classified themselves as Hispanic made up 5% of the total home loan applications denied. Out of the 592 applications filed, Hispanic or Latino applicants account for 2.4% of applicants. This also shows a disparity in the rate of loan denial.

When examining the data by income level, credit history is the number one reason for denial. For all incomes reporting, credit history accounts for the denial for at least 46% of the applicants. This includes those at the higher income brackets that are considered market rate buyers. Tables III-X, III-XI and III-XII delineate the reasons for denial on the basis of race, ethnicity and income.

Table III-X: Number of Home Improvement Loans Denied by Race.  
Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Race										
American Indian or Alaska Native	1	0	0	0	0	0	0	0	0	1
Asian	0	0	0	1	0	0	0	0	0	1
Black or African American	1	0	4	0	0	0	1	0	0	6
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0	0	0	0	0
White	53	0	95	31	0	4	1	2	15	201
Two or More Minority Races	0	0	0	1	0	0	0	0	1	2
Joint (White/Minority Race)	0	0	2	1	0	0	0	0	0	3
Race Not Available	10	0	14	8	0	1	1	0	2	36
Total	65	0	115	42	0	5	3	2	18	250

Table III-XI: Number of Home Improvement Loans Denied by Ethnicity. Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Hispanic or Latino	5	0	7	1	0	0	1	0	2	16
Not Hispanic or Latino	50	0	89	33	0	4	1	2	14	193
Joint (Hispanic or Latino/Not Hispanic or Latino)	1	0	2	1	0	0	0	0	1	5
Ethnicity not available	9	0	17	7	0	1	1	0	1	36

Table III-XII: Number of Home Improvement Loans Denied by Income. Source: Home Mortgage Disclosure Act, 2008.

	Debt to Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash	Unverifiable Information	Credit Application Incomplete	Mortgage Insurance Denied	Other	Total
Less Than 50% of MSA Median	11	0	12	3	0	3	0	0	2	31
50 – 79% of MSA Median	23	0	33	8	0	0	2	0	2	68
80 – 99% of MSA Median	18	0	20	9	0	1	0	1	4	53
100 – 199% of MSA Median	5	0	18	4	0	0	0	0	3	30
120% or More of MSA Median	8	0	28	18	0	1	1	1	7	64
Income Not Available	0	0	4	0	0	0	0	0	0	4
Total	65	0	115	42	0	5	3	2	18	250



Despite racial minorities making up a small percentage of denials, they also make up a small percentage of the applicants. Throughout all four types of loans, racial minorities experienced higher denial rates than their white counterparts. Particularly, African Americans and residents identifying themselves as two or more minority races experienced higher denial rates. Hispanics also experienced higher rates of denial for all four types of application. Table III-XII shows the percent denied by race and ethnicity.

Table III-XII: Percent Applicant Denial by Race and Ethnicity. Source: Home Mortgage Disclosure Act, 2008.

	Applications Received	Applications Denied	Percent Denied
<b>Race</b>			
American Indian or Alaska Native	19	12	63.2%
Asian	116	21	18.1%
Black or African American	121	49	40.5%
Native Hawaiian or Other Pacific Islander	8	2	25.0%
White	7143	2233	31.3%
Two or More Minority Races	3	2	66.7%
Joint (White/Minority Race)	79	23	29.1%
Race Not Available	794	256	32.2%
Total by Race	8283	2598	
<b>Ethnicity</b>			
Hispanic or Latino	270	113	41.9%
Not Hispanic or Latino	7152	2198	30.7%
Joint (Hispanic or Latino/Not Hispanic or Latino)	67	28	41.8%
Ethnicity not available	800	259	32.4%
Total by Ethnicity	8289	2598	

## Public Housing

The Lafayette Housing Agency (LHA) is the public housing agency serving Tippecanoe County. The LHA has one primary program to assist low-income families with rental housing, the Section 8 Housing Choice Voucher program (Section 8).

Section 8 tenants rent from private property owners, and applicable rental assistance is provided by LHA through its Housing Choice Voucher (HCV) program. The rental properties may be apartments, town homes, detached single family homes, duplexes or mobile homes. Section 8 Program participants are issued vouchers guaranteeing the property owner that Section 8 will pay a certain portion of the tenant's rent. The amount paid will differ from tenant to tenant depending on family size and income. The program participant and owner execute a lease, just as the property owner would do with any other renter who does not receive assistance. However, Section 8 also executes a contract with the owner specifying the amount Section 8 will pay toward the rent. In order to apply for this program, applicants must prove they live, work or go to school within Tippecanoe County.

Figure III-XIV indicates the apartments accepting Section 8 tenants. The list of addresses for this map was located on a website for the U.S. Housing and Urban Development. Private landlords and others also may accept Section 8 tenants. Households seeking affordable housing may utilize a new program on the Internet called [Indianahousingnow.org](http://Indianahousingnow.org) to locate housing that meets their specific needs. This AI discusses this new program in detail in the Compliance Section of this document.

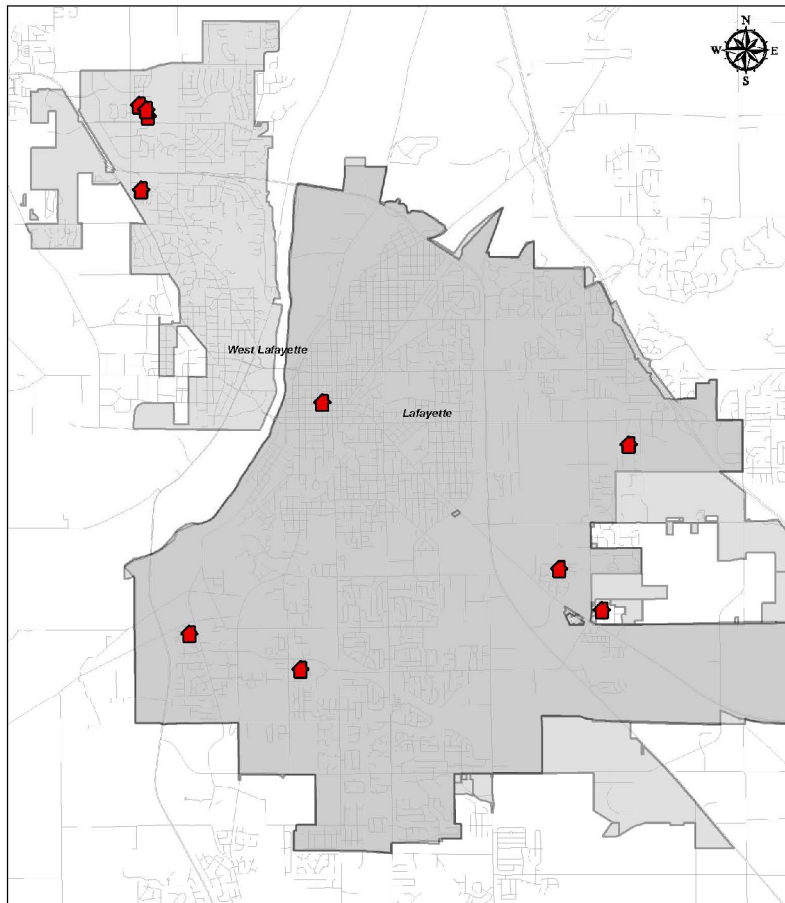


Figure III-XIV:  
Apartments  
Accepting Section  
8 Vouchers.  
Source: U.S.  
Department of  
Housing and  
Urban  
Development,  
Lafayette  
Housing  
Authority and  
City of Lafayette.

The LHA tracks race and disability of the households and families receiving Section 8 assistance. For the purposes of the AI, a local government would want to make sure the number of people of each race and ethnicity living in public housing apartments is not concentrated compared to those receiving Section 8 assistance. Because the LHA does not own or manage any housing units this analysis is not useful other than to show the number of households and individuals receiving or waiting to receive a Section 8 Housing Choice voucher. Each year, 1,230 households receive a voucher. The waiting list, currently open, has 1,017 households.

The number of people the Section 8 Housing Choice program serves reflects the composition of the community. White households account for the majority of users of the program and households on the waiting list for the program. However, African Americans account for a larger portion of this program and wait list than they do in the general population. A total of 22% of the individuals who are using the Section

8 Housing Choice voucher program are African American while only accounting for 2.5% of the general population. African Americans also account for 26% of the individuals on the wait list. A larger portion of this minority group is requesting housing assistance than White or Asian households.

The same picture of African Americans is true for individuals classifying themselves as Hawaiian/Pacific Islander and/or Native American/Alaskan. Together, these racial groups make up less than one-third of one percent, yet they make up nearly one percent of the people using and requesting these vouchers. Table III-XIII shows the breakdown of individuals by racial group.

Table III-XIII:  
Racial  
Examination of  
Section 8 Housing  
Choice Voucher  
program. Source:  
Lafayette  
Housing Agency,  
March, 2010.

	Section 8 Vouchers	Wait List
White	2117	733
African American	605	272
Asian	3	1
Hawaiian/Pacific Islander	5	2
Native American/Alaskan	19	7
Total	2749	1015

The families using Section 8 vouchers are able to choose a location that best suits their needs. Figure III-XV shows the difference between families using Section 8 Housing Choice Vouchers and Individuals. The difference between the two categories is slight, at 4%.

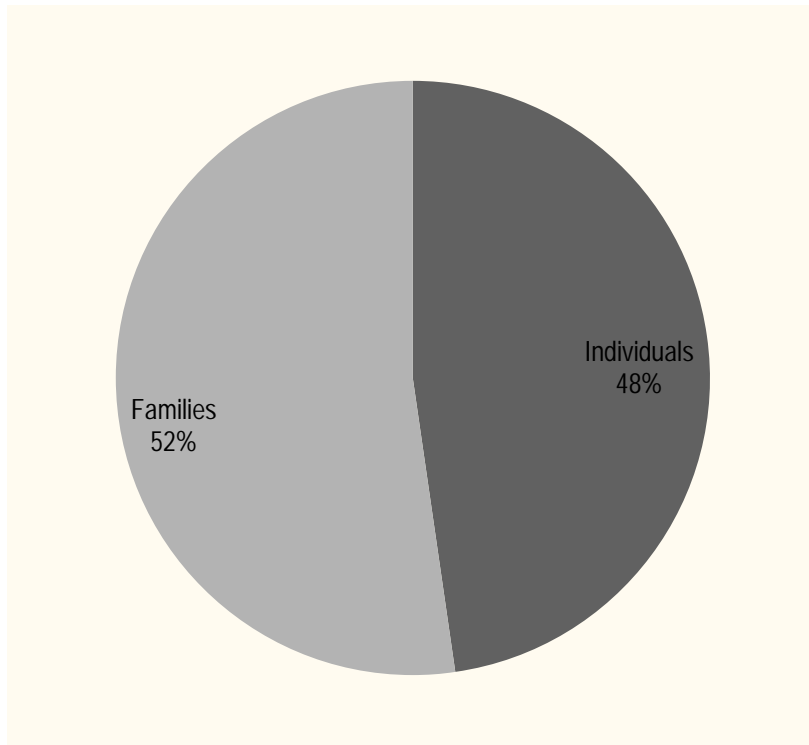


Figure III-XV:  
Familial Status  
Examination of  
Section 8 Housing  
Choice –current  
users. Source:  
Lafayette  
Housing Agency,  
March 2010.

The percentage of families waiting for a Section 8 Housing Choice Voucher is slightly higher than the percentage that currently has a voucher. Figure III-XVI shows the breakdown by familial status for households and person on the waiting list.

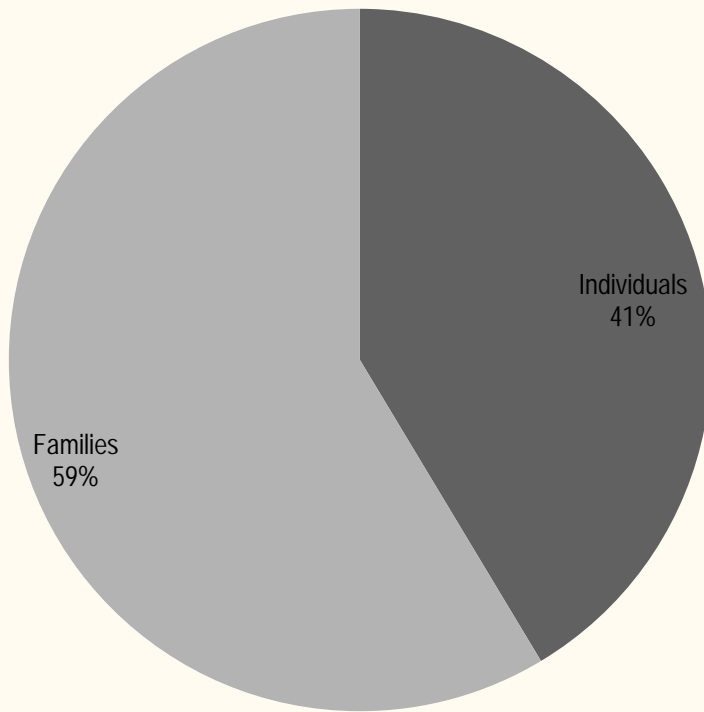


Figure III-XVI:  
Familial Status  
Examination of  
Section 8 Housing  
Choice –wait list.  
Source: Lafayette  
Housing Agency,  
March 2010

607 people with disabilities currently have a Section 8 Housing Choice voucher and 155 are on the waiting list. People living with a disability make up 22% of all people with Section 8 vouchers.

#### IV: Land Use Profile

Zoning regulations and planning documents play a large role in the usage of property within Lafayette and West Lafayette. These regulatory requirements determine the type of building, commercial versus residential, and the density of the use. The cities of Lafayette and West Lafayette can determine if any regulations hamper housing choice by evaluating the land use and determining if any regulation places undue hardship on any particular protected class.

##### Zoning Regulations

Zoning regulations determine the use and development of each property owned within the city's limits and the type of housing. The city's zoning regulations allow for a wide range of housing development options and types. The zoning regulations seem appropriate.

##### Comprehensive Plan

Tippecanoe County and the cities of Lafayette and West Lafayette follow a non-binding land use plan to guide housing, commercial and industrial development called the Comprehensive Plan. The city updated the Comprehensive Plan in 2008 with final drafts to be completed in the summer of 2010. This new plan contains a number of policies to encourage fair housing, as follows:

- Develop a range of housing types, for owners and renters of all income levels county-wide, to support the diverse need for housing in the community and to encourage homeownership
- Fiscally responsible provision of public services, facilities, green space and amenities for new housing developments and upgrading these same elements in existing developments
- Need for education and increased community awareness to address housing issues with negative community impact (foreclosure, falling property values, and deferred property maintenance)
- Encouraging responsive and responsible "Smart Growth" residential development and protection of prime farm land

However, the Comprehensive Plan does not specifically promote housing development in a method to encourage fair housing choice for all residents.

##### Planning and Recording Fees

The planning fees are typical and do not raise any concerns. Fees are paid to the Tippecanoe County Area Planning Commission. With multiple jurisdictions, this enables residents and developers to go to one centralized area for planning and recording fees. Building permits may also be obtained in this office with exceptions of within the limits of the cities of Lafayette and West Lafayette and Union Township.

##### Board of Zoning Appeals

The Area Plan Commission (APC) is a 15-member body of elected officials (2/3) and citizens (1/3) representing all six member jurisdictions. In addition, the APC is the governor-designated Metropolitan Planning Organization (MPO) charged with transportation planning for our Metropolitan Statistical Area. Created in 1959, its three primary functions are: Comprehensive Planning (plans and policies to shape the future), Current Planning (zoning and land division ordinances to implement the plans), and Transportation Planning (plans and strategies to serve all forms of future transportation needs). The Area Planning

Commission for Tippecanoe County also reviews all requests for re-zoning or “use variances.” A generally accepted definition for “use variance” is variance that is an administrative exception to the land use.

The Board of Zoning Appeals reviews requests for zoning variances. Members are appointed to the Board, two by Tippecanoe County, two by the Area Planning Commission, two by the city of Lafayette and one by the city of West Lafayette. Seven members serve on the Board of Zoning Appeals.

City Consultants and Research, LLC found specific instructions and processes for re-zoning of a property or application for a zoning variance. The instructions are easy to follow and it appears that the Area Planning Commission staff helps guide the property owners through the process. The only type of variance the Board of Zoning Appeals is unable to review is a “use variance.”

The city of Lafayette has its own Board of Zoning Appeals if requesting a variance within the city limits of Lafayette. This is a five-member board that follows similar procedures to that at the county level. Clear instructions are also readily available for requesting a variance within the city of Lafayette.

### Building, Occupancy and Health and Safety Codes

The city of Lafayette most recently adopted a municipal code, including building standards, in October 2009. The building standards set within the newly adopted municipal code include several articles of the Indiana Administrative Code, including Article 13: Building Codes, Article 14: One and Two-Family Dwelling Code; Article 16: Plumbing Code; Article 17: Electrical Codes; Article 18: Mechanical Codes; and Article 19: Energy Conservation Codes. The Indiana Residential Code is based on the International Residential Code drafted by the International Code Council (ICC). The ICC strives to develop building codes that promote safety and respond to national standards, such as the Americans with Disabilities Act, and utilize recommendations from national builder’s associations and trade organizations.

The building codes also incorporate the BOCA National Property Maintenance Code, International Property Maintenance Code adopted in 1998. The intent of the code is to ensure the health and safety of the occupants of housing property. The city of Lafayette’s Engineering Department is charged with enforcement of all building and health codes.

The city of West Lafayette adopted its own set of building codes in November, 2009. The building standards and health and safety codes include the same adoptions as the city of Lafayette. In short, both cities enforce the same building and health and safety codes.

### Public Transportation

The federal government mandates regional efforts in transportation planning. Traffic patterns and types of transportation have an effect on an entire region, ignoring political boundaries. The Tippecanoe County Area Planning Commission is responsible for the development, implementation and promotion of comprehensive transportation system of various alternatives for residents in Lafayette, West Lafayette, Tippecanoe County, Battle Ground and Clark Hill.

The Area Planning Commission provides the following types of transportation plans:

- Long Range Plan – A 20-year plan for transportation projects for local and state investment. The current plan runs through 2030.
- Transportation Improvement Plan – A five-year plan from 2010-2014 that outlines the transportation projects for the next five years. Projects include infrastructure improvement for streets, sidewalks and resurfacing.
- Coordinated Human Services Transit Plan - This plan identifies ways public and private transit providers can fill some of the unmet transportation needs of the elderly, disabled and those with low income.
- Tippecanoe County Thoroughfare Plan –Part of the Comprehensive plan, it includes minimum design standards for roads, sidewalks and other modes of transportation.

The Area Planning Commission is also working on adopting an area Bike and Pedestrian Plan. Because this area is home to Purdue University, the need to work with pedestrians around the university is a priority for not only West Lafayette and Lafayette, but the county as a whole.



## V: Compliance Data

This section will evaluate the current issues facing the cities of Lafayette and West Lafayette that may affect fair housing choice. Items for this evaluation include current court cases, property taxes, current programs, reporting methods and educational programs. This section also provides a valuable self-assessment of the progress made to ensure fair housing choice and evaluate areas of improvement in current or previous programming.

### Current Cases

There are no outstanding cases related to fair housing in Indianapolis. However, a recent case in Indiana may have a significant effect in Indianapolis and across the nation. The Indiana Supreme Court split its decision in May 2008 regarding the case *Villas West II of Willowridge v. Edna McGlothin*. The case tests the validity of rental restrictions placed on owners in the Villas West II of Willowridge development with regard to fair housing.

Edna McGlothin, an owner of a property, stated that the rental restrictions are discriminatory. By limiting or restricting rental properties, it excludes minorities from the neighborhood. The justices split on the decision stating that no-rent restrictions, having a nondiscriminatory interest, are constitutional.

The case has been sent to the appeals court, presided by Judge Jessup, for a final determination. However, the attorneys arguing the case state a decision on the matter has not been reached. Meanwhile, neighborhood associations may continue to enforce no-rent restrictions. Many of the country's neighborhoods are watching this case closely as it may affect numerous communities across the country.

### Property Taxes

In March 2008, the Indiana General Assembly passed bill SJR0001 to limit the amount of property taxes beginning in 2012 for the entire state of Indiana. The limit for homeownership properties will be one percent of the assessed value. The limit for rental properties will be 2% of the assessed value. The limit for commercial properties will be 3% of the assessed value. Proponents of the new tax law argue the single tax rate across the State of Indiana will eliminate disparities between properties based on location.

The single tax rate does have potential problems. Higher taxes for rental properties may be passed along to the end consumer, or the lessee of the property, in the form of higher rents. This could have an adverse affect on lower-income individuals renting properties with higher property taxes. While not all low-income individuals are minorities, those individuals in the protected classes tend to rent their housing more than own housing. The ramifications of the property tax overhaul will need to be re-examined once implemented to see if it has an adverse affect on the protected classes.

### Current Programs and Testing

The Indiana Civil Rights Commission serves as the primary investigative and resolution agency for fair housing complaints for the State of Indiana. Because the Indiana State Fair Housing Act is similar to the Federal Fair Housing Act, the Indiana Civil Rights Commission is contracted by the U.S. Department of Housing and Urban Development to investigate fair housing discrimination. Complaints may follow an eight-step process; however, most complaints are resolved within the first three steps. Figure V-I demonstrates the complaint and resolution process.

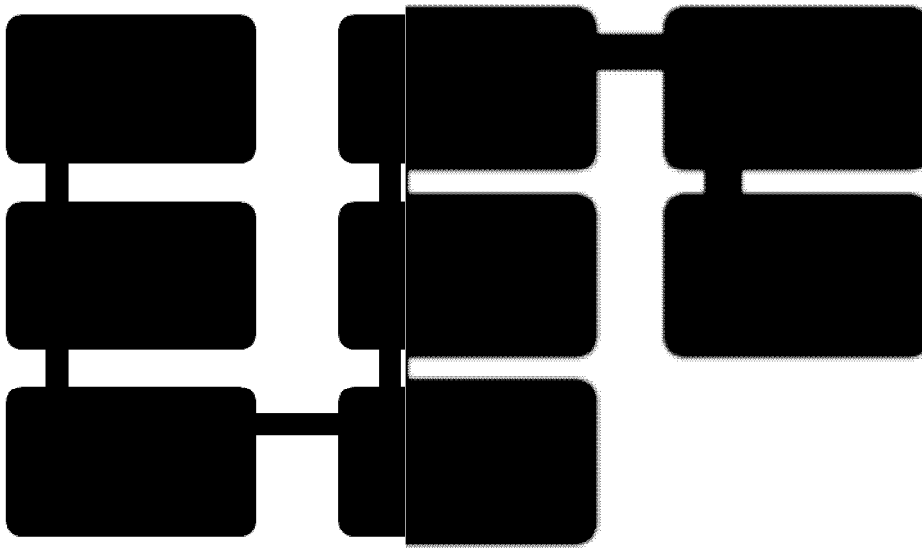


Figure V-I: Fair Housing Complaint Process for the ICRC. Source: Eight Step Guide for Complainants and Respondents, ICRC, 2002.

A complaint must be filed within 180 days of the date of the occurrence of the discriminatory act. From that point the Indiana Civil Rights Commission (ICRC) conducts a thorough investigation from the point of view of both parties involved within the complaint. The investigator from the ICRC may require a test to be performed as part of the process. Testers are trained individuals whose purpose is to observe what occurs and record their experience relating to the complaint. The test is a controlled method for determining the integrity of the information relating to the complaint. After an investigation, the two parties may submit to a mediation to resolve the problem. This is a voluntary process, and if no agreement is reached, the complaint may follow the process above to the public hearing, final resolution and remedies.

According to the 2006 Indiana Civil Rights Commission Annual Report, the ICRC received 145 complaints relating to real estate. During that same time, 166 cases related to real estate were resolved through mediation, some of which originated from the previous year.

The ICRC also conducts public outreach programs and educational programs. During the 2006 fiscal year, the ICRC attended 22 conferences and programs across the state, such as the Indiana Black Expo and the Governor's Planning Council for Persons with Disabilities. The ICRC facilitated 14 training sessions on various topics, including fair housing. It is important to note that these sessions were not limited to Indianapolis.

As mentioned earlier in the document, the city of Lafayette, the city of West Lafayette and Tippecanoe County each have their own Human Relations Commissions. For each entity, this board serves as an outlet to file discrimination complaints such as housing, employment or access to public services.

The City of Lafayette Human Relations Commission, created in 1968, consists of nine citizens appointed by the Mayor and approved by the City Council. The main objectives are to end prejudice, intolerance, bigotry, and discrimination in the City of Lafayette, to encourage respect and understanding of all individuals and groups, and to investigate complaints of discrimination in the City of Lafayette. The Commission is

concerned with any discrimination based on race, sex, religion, color, physical or mental handicap, familial status, national origin, or sexual orientation, and is available to investigate discriminatory acts.

The city of West Lafayette has established a Fair Housing Office. Housed within its Development Department, the Fair Housing Office investigates acts of discrimination. Complaints regarding fair housing discrimination are to be filed within the Development Department and Fair Housing Office.

Passed by ordinance in 2001, Tippecanoe County has a Human Relations Commission similar to that of the city of Lafayette. With a total of nine members, the Human Relations Commission investigates acts of discrimination for housing, employment and access to public amenities.

With three local boards to file complaints under, individuals and organizations within the community are confused as to the proper place to file complaints. While Tippecanoe County will cover discrimination anywhere within the county, it is believed by some individuals that filing with the county Human Relations Commission could interfere with an investigation at the state level. Both cities encourage residents to contact the Community Development Departments to file complaints; however, the process for which complaints are handled is unclear.

### New Programs

Indiana Housing Now ([www.indianahousingnow.org](http://www.indianahousingnow.org)) is a new website designed to provide free, anonymous searches for affordable housing. Started in 2006, the website enables users to specify the type of housing, either to rent or buy, by a great number of factors. Housing choices can include:

- Location;
- Cost;
- Number of bedrooms;
- Number of bathrooms;
- Proximity to public transportation;
- School district;
- Amount of security deposit required;
- Accessibility for persons with disabilities;
- Senior housing;
- Amenities; and
- Acceptance of rent subsidy.

The program also enables social service providers to locate housing on behalf of their clients and can also list themselves as a provider of assistance to any particular housing project. This enables case managers and service providers to connect through one data system. The case manager can locate the best housing for their client, who may need supportive services in addition to housing.

The website is provided and sponsored by the Indiana Housing and Community Development Authority.

## Self Evaluation

The cities of Lafayette and West Lafayette included the previous goals of the Analysis of Impediments to Fair Housing Choice (AI) as part of their 2005-2009 Consolidated Plan and congruent Action Plans. The cities have worked together over the last five years to address the confusion created by three separate Human Relations Commissions and fair housing complaint outlets.

However, they have not consistently addressed the goals and recommendations of the previous AI. Documentation of efforts outside the Consolidated Annual Performance and Evaluation Report to address the recommendations is lacking. The self evaluation table, continued on two pages, shows the impediments listed in the previous AI and efforts made to address each impediment.

Goal to address Impediment	Suggested Action	Action Taken	Date Completed
Outreach and education by the Human Relations Commissions and the cities to address the lack of knowledge of a person's rights and a person's obligations under the law and how to access services to answer and address one's concerns.	Increase the interaction and the information sharing between the three Human Relations Commissions by encouraging at least 2 joint meetings annually.	Held seminar for landlords and other interested parties	Held once each of the first three years
	Continue to support Vision 2020 Diversity Roundtable monthly meetings and encourage and participate in additional fair housing activities.	Began diversity round table meetings on an annual basis	Held roundtables, but fair housing was not focus. Focused on access to public services and dealing with racism through community policing.
	Increase public awareness of what "fair housing" is and what "discrimination" is and "what the protected classes are" to overcome the negative publicity and misinformation regarding the role of the Human Relations Commission	Revised website and brochure information.  Participated in cultural/diversity fairs to distribute information.	All years.

Goal to address Impediment	Suggested Action	Action Taken	Date Completed
Outreach and education by the Human Relations Commissions and the cities to address the lack of knowledge of a person's rights and a person's obligations under the law and how to access services to answer and address one's concerns.	Develop a client survey through the Lafayette Housing Authority and possibly other housing providers, as well as social service agencies to determine the public knowledge of fair housing.	No action taken.	
Marketing of assistance programs to address disproportionate needs of minorities and ethnic persons in housing.	Increase minority and ethnic participation in homeownership, rehabilitation and rental assistance programs by developing a marketing strategy.	Additional marketing has not increased participation in housing programs by minority or ethnic populations.	All Years
Further research in the areas of services to the disabled, elderly and persons with HIV/AIDS to determine if they have sufficient access to federally assisted housing.	Work with the agencies that serve these populations to determine if their clientele has sufficient access to federally assisted housing.	Without relevant data from local service agencies, unable to meet goal over the five-year period.	
Marketing of homeowner programs to increase minority and ethnic homeownership. Educate and increase mortgage and financial companies' participation in marketing programs.	Increase minority and ethnic participation in homeownership programs by developing a marketing strategy.	No action taken.	
	Work with leading financial institutions in the community to market homeownership to minority and ethnic populations.	Unable to develop interest from private sector.	

## VI: Mail Survey and Community Input

### 2010 Action Plan Survey

The 2010 Action Plan is a document created by the City Consultants and Research, LLC to determine the public's priorities for allocation of grant funding by the U.S. Department of Housing and Urban Development. The grants are the Community Development Block Grant and the HOME Investment Partnerships Program. Together, these grants total nearly \$2.16 million dollars of annual funding to the cities of Lafayette and West Lafayette, as well as portions of Tippecanoe County. The survey also asked questions with regard to fair housing, personal experience and knowledge on where to report discrimination.

The survey process took place during the months of February and March 2010. 77 residents returned surveys. Approximately 18% of the survey respondents said they had experienced housing discrimination. Figure VI-I shows the type of discrimination experienced by those respondents. Familial Status and disability were the primary reason people experienced discrimination. Other areas of discriminations, such as age, gender or religion were not selected by respondents.

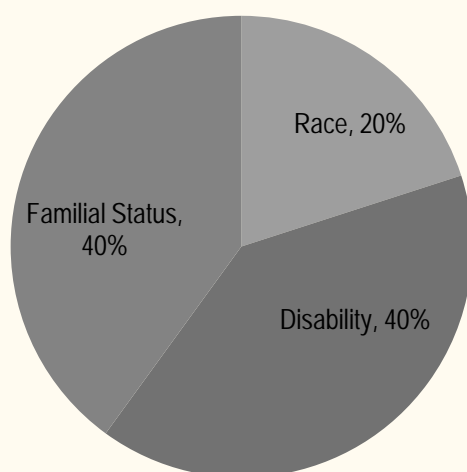


Figure VI-I:  
Reasons for Fair  
Housing  
Discrimination.  
Source: 2010  
Action Plan  
Survey, City  
Consultants and  
Research, LLC,  
2010.

To compound the problem of housing discrimination, nearly half of the population, or 70.2% of the survey respondents did not know where to report a problem of housing discrimination. Based on the 2010 Action Plan survey, those who experience discrimination may not know where to report the problem. A total of 80.7% of the respondents said they had never attended any educational seminars or been to an event where fair housing issues were discussed.

The high cost of housing is the most significant barrier to fair housing choice. This includes the household's ability to obtain a mortgage for housing or find an affordable place to rent. From these

responses, the cities of Lafayette and West Lafayette can tell that barriers affordable housing come from more than just high price, but the demand for rental housing, ability to obtain a mortgage, lower wages and credit scores all compound the problem of obtaining affordable housing.

### Professional/Stakeholder Interviews

City Consultants and Research, LLC conducted face to face interviews and telephone interviews with various stakeholders and professionals in the Lafayette and West Lafayette communities. A complete list of the people interviewed for this document is included in Appendix B. A number of the people interviewed provided additional resources to collect information and data regarding fair housing choice. This data assisted with the analysis of fair housing choice.

In addition, the interviews confirmed the analysis of the data and suggested other obstacles to fair housing choice and housing development not readily available in other data or statistics. Some of the comments and concerns are listed below.

### Barriers to Affordable Housing

- Providing affordable housing at a mortgage level for which families can afford and within new mortgage underwriting standards can be difficult without large subsidies.
- Increased demand by a large student population has made it difficult to develop affordable housing due to soaring property values in some areas close to Purdue University.
- It may be too early to determine the fallout from new mortgage underwriting regarding minorities' access to capital.
- Not all people with disabilities may be able to afford to make "reasonable accommodations" to their new home, limiting housing choice.

### City Government

- Zoning enforcement is not strong enough to address and encourage smart growth.
- The places to report housing discrimination were largely unknown to those interviewed.
- Even when a person was knowledgeable of where to report discrimination, the entire process for how the complaint is handled beyond the initial filing is largely unknown.

### Credit History and Education

- Many people in the community want to be homeowners but do not have the knowledge about the home buying process or home maintenance.
- Some landlords are still unclear on the protected classes, with some discriminating on the basis of familial status. However, City Consultants and Research, LLC is unable to document discrimination based on the interviewee comment.

- Education for homeownership used to take 24 months, it now takes 30 months to prepare a household for homeownership and repair damaged credit.
- Funding limits have reduced the amount of fair housing education provided at the local level.



## VII: Fair Housing Impediments, Recommendations and Action Plan

Neither the city of Lafayette nor the city of West Lafayette has any regulatory impediments to fair housing choice. The city has a number of positive aspects regarding fair housing choice.

- The Comprehensive Plan for the Tippecanoe County includes mixed housing to allow for greater housing choice across the county.
- Overall, Tippecanoe County does have a high amount of affordable housing available, with 63% of the values of homes affordable to households earning 80% of the median family income or less. A total of 93% of the rental units are affordable to households earning 80% of the area median family income or less.
- The Human Relations Commissions provided regular training programs to landlords over the past five years and continues to serve as advocates for fair housing choice.
- The cities of Lafayette and West Lafayette made some progress towards the goals set in the previous AI, including supporting additional homeownership training, providing articles for community outreach and including minority realtors in housing development projects.

Despite the progress made, some obstacles or impediments to fair housing still exist. The following chart outlines a variety of areas in need of improvement. The table ties each area to a specific area in this document. Each area may not have an impediment to fair housing choice connected, but may instead be an obstacle to fair housing such as maintaining records, fair housing education or community partnerships. The cities of Lafayette and West Lafayette will utilize five years, 2010-2014, to address the impediments listed in the chart.

Area in Need of Improvement	Impediment/Obstacle	Resolution/Outcome	Date to be Completed
Compliance Data	The general population is not aware of fair housing issues or where to file complaints.	Create user friendly information brochures and distribute through community housing development and social service agencies.	On-going: 2010-2014

Area in Need of Improvement	Impediment/Obstacle	Resolution/Outcome	Date to be Completed
Community Input	The general population, particularly the minority population, is not fully educated in the home buying process.	Support homeownership training classes.	On-going: 2010-2014
Compliance Data	The recently updated Comprehensive Plan for the city of Indianapolis lists fair housing choice as a goal or vision for the city.	Include a vision within the Comprehensive Plan before final adoption to include fair housing.	2010 Fiscal Year
Community Input	Though undocumented, some landlords are unclear on the protected classes as part of the fair housing acts, particularly familial status.	Provide education seminars to landlords and tenants to help facilitate understanding about the requirements of fair housing and each party's responsibilities.	On-going: 2010-2014
Housing Profile	Racial disparities are prominent in the number of denials for home loans.	Contribute to the professional publications, such as those with local real estate groups to encourage fair housing practices and emphasize the importance of fair housing choice.	On-going: 2010-2014

The cities of Lafayette and West Lafayette may use partnerships with state agencies and housing or community development advocacy groups to go beyond the steps listed in this plan to promote fair housing. The cities may also support other initiatives by the State of Indiana to promote fair housing. Such initiatives may include education programs related to fair housing, homeownership training or tighter mortgage and lender regulations. Such additional efforts may be listed in annual reports but the above initiatives and resolutions will be completed by the cities of Lafayette and West Lafayette over the next five years, 2010-2014.